OFFICIAL REPORT

OF THE

DEBATES

OF THE

HOUSE OF COMMONS

OF THE

DOMINION OF CANADA

SEVENTH SESSION—TWELFTH PARLIAMENT

7-8 GEORGE V, 1917

IN SIX VOLUMES

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VOLUME CXXX

COMPRISING THE PERIOD FROM THE EIGHTEENTH DAY OF JANUARY TO THE TWENTIETH DAY OF SEPTEMBER, 1917, INCLUSIVE.

OTTAWA
J. DE LABROQUERIE TACHÉ
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1918

CANADA

House of Commons Debates

OFFICIAL REPORT

Wednesday, August 8, 1917.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by asterisks.)

MILITARY HOSPITALS COMMISSION.

Mr. KYTE:

1. Who are the members of the Hospitals Commission?
2. When were they appointed?
3. What salary or remuneration do they receive?
4. How much has each been paid to date, (a) for salary, (b) for travelling and other allowances?

Sir ROBERT BORDEN:

1 and 2. The following are the present members of the Military Hospitals Commission, with the dates of their appointments: The Hon. Sir James A. Lougheed, P.C., K.C.M.G., President, June 30, 1915; the Hon. Thomas W. Crothers, P.C., K.C., October 14, 1915; W. M. Dobell, Esq., October 14, 1915; Hon. Colonel Sir Rodolphe Forget, M.P., June 30, 1915; W. K. George, Esq., October 14, 1915; Robert Gill, Esq., May 18, 1916; Lloyd Harris, Esq., October 14, 1915; J. S. H. Matson, Esq., June 30, 1915; D. Lorne McGibbon, Esq., October 14, 1915; the Hon. J. S. McLennan, June 30, 1915; Brig.-General Sir H. M. Pellatt, C.V.O., June 30, 1915; F. W. Peters, Esq., April 4, 1916; Lieut.-Colonel C. W. Rowley, June 30, 1915; F. J. Shepherd, Esq., M.D., April 4, 1916; Lieut.-Colonel Clarence F. Smith, June 30, 1915; Lieut.-Colonel Thomas Walker, M.D., June 30, 1915; Smeaton White, Esq., June 30, 1915; the Director General of Medical Service, Ottawa, June 30, 1915; W. F. Nickle, Esq., M.P., December 14, 1916; Hector McInnes, Esq., K.C., March 16, 1917.

3. The members of the Commission receive no salary or remuneration.

4. (a) None. (b) The following is a statement of amounts paid to members of the Commission for expenses: The Hon. Sir James Lougheed, from June 30, 1915, to May 27, 1917, $3,052.50, (this amount covers travelling expenses for the period from June 30, 1915, to the 27th May, 1917 the work having fallen upon the president to travel from the Atlantic to the Pacific several times in connection with the establishment of convalescent homes and hospitals); Lieut.-Colonel C. F. Smith, from June 30, 1915, to February 24, 1916, $128.40; Hon. J. S. McLennan, from June 30, 1915, to March 26, 1917, $685.10; F. W. Avery, Esq. (deceased), from June 30, 1915, to February 19, 1916, $114.70; Brig.-General Sir H. M. Pellatt, from June 30, 1915, to April 8, 1916, $110; Smeaton White, Esq., from June 30, 1915, to April 8, 1916, $150; Lieut.-Colonel T. Walker, from June 30, 1915, to September 6, 1916, $377.65; Lieut.-Colonel C. W. Rowley, from June 30, 1915, to November 10, 1916, $390.45; W. K. George, Esq., from October 14, 1915, to August 10, 1916, $152.70; the Hon. T. W. Crothers, from October 14, 1915, to December 30, 1916, $40; W. M. Dobell, Esq., from October 14, 1915, to September 20, 1916, $1,150.41, (this amount covers the period from October 14, 1915, to September 20, 1916, and includes a voyage overseas to investigate similar work in France and England); R. Gill, Esq., from May 18, 1916, to November 15, 1916, $56.35; Dr. F. J. Shepherd, from April 4, 1916, to June 30, 1917, $412.80; F. W. Peters, Esq., from April 4, 1916, to April 20, 1917, $163.50; J. S. H. Matson, Esq., from June 30, 1915, to April 30, 1917, $410.

MR. GEO. F. HENDERSON, K.C.

Mr. McCOIG:

1. Is Mr. Geo. F. Henderson, K.C., chairman of the commission appointed by the Government to review the report of Mr. W. F. O'Connor, K.C., High Cost of Living Commissioner, on the operations of cold storage corporations in Canada, the same person who appeared as counsel for certain food supplying corporations alleged by the City of Ottawa to be charging extortionate prices, at the Government investigation of cost of living conditions held at the City Hall, Ottawa, in January last, at the request of the municipality on behalf of its citizen consumers?

2. Was this investigation conducted at the request of the citizens through their city council by Mr. W. F. O'Connor, K.C., acting for the Labour Department on the question of the high cost of living?

Mr. CROTHERS:

1. Mr. Henderson represented the Ottawa Dairy Company, Ltd., as their counsel, at an investigation into the cost and price of milk, held in January, 1917, before W. F. O'Connor, K.C., as an examiner under the Order in Council No. 2777, of November 10, 1917.

2. Yes.

ASSISTANTS TO FOOD CONTROLLER.

Mr. ROSS:

1. Has H. P. McCue been appointed to act in any capacity with the food controller, or in connection with the Government?

2. If so, in what capacity? What are his qualifications for such position and what is his salary?

3. Who are Messrs. Willison, Todd & French, appointed to assist the food controller, and what are their qualifications for this work?

4. Are such appointments, if made, in harmony with the national thrift and economy advocated by the Government and the food controller?

Mr. HUGH CLARK:

1. Not with food controller.

2. Answered by answer to No. 1.

3. W. A. Willison: Active in newspaper and educational work, connected with the News Advertiser of Vancouver, B.C. for some time, connected with the Toronto Daily News for several years as staff correspondent and associate editor, an accredited correspondent of the Toronto Daily News in London, England, for two and a half years during which time he was closely associated with the Canadian troops at the front, and made a special study of the educational and publicity work in connection with the food problem in Great Britain.

S. E. Todd, B.S.A.: Practical farmer, graduate of the Ontario Agricultural College, district representative of the Department of Agriculture for a number of years, farm director of the public institutions of the province of Ontario for over five years, being in charge of the farms at the twelve provincial institutions. His work included purchase of large quantities of provisions, being in special charge of the meat supply and the public institutions abattoir, and the growing, storing, canning and preserving of fruits and vegetables and otherwise provisioning a population of upwards of eight thousand.

F. W. French: Employed in the Department of the Provincial Secretary, Ontario, for a number of years, studying and installing office systems within the department, business manager of the Hospital for Insane at Whitby through a large part of the construction period, assistant director of Industries, Ontario Reformatory, Guelph, having charge of the reorganization of the various industries and the installation of modern cost-accounting systems throughout. Resigned his position with the Ontario Government to take up like work with Robert Simpson Company, Limited, at better pay, and was temporarily released by them to take up the present work, at as nearly as may be the same remuneration to him as was paid by the Robert Simpson Company.

4. Yes.

SONORA PREVENTIVE OFFICER.

Mr. SINCLAIR:

Why was a change made in the personnel of the Preventive Office at Sonora, Guysboro County, N.S.?

Mr. REID: In the interests of the public service.

RIMOUSKI PUBLIC WORKS ENGINEER.

Mr. LANCTOT:

1. What was the cost of the heating of the office of the engineer of the Department of Public Works at Rimouski, Mr. J. C. Taché, during the fiscal year ended March 31, 1917?

2. From whom was the coal and wood bought, and at what price per ton or cord?

Mr. ROGERS:

1. The department pays Mrs. J. C. Taché $30 per month rent for office accommodation at Rimouski which includes the heating.

2. No information in the department.

Mr. LANCTOT:

1. How many employees are there in the office of Mr. J. C. Taché, engineer, at Rimouski?

2. What are their names, occupations and salaries?

3. Upon whose recommendation has each one of the said employees been appointed?

Mr. ROGéRS:

1. 10 employees.

2. J. C. Taché, district engineer, $2,800; L. G. Trudeau, senior assistant engineer, $1,500; Alex. Bailey, assistant engineer, $1,200; Maurice Leblanc, general foreman for Bonaventure Co., $1,200; A. Lavoie, general foreman for Rimouski, County, $1,200; Jerome Legare, draughtsman, $1,100; Theodore Dery, junior assistant engineer, $900; Miss E. Caron, stenographer, $780; J. A. Turcotte, clerk, $900; Ernest Bois, messenger, $240.

3. No information in departmental records.

*Mr. LANCTOT:

What was the total amount spent for the office of the engineer of the Public Works Department at Rimouski, Mr. J. C. Taché, during the fiscal year ending March 31, 1917, in salaries, including that of the engineer, rent, office supplies and heating?

Mr. ROGERS: $12,615.08.

THE STEAMER DRAKE.

Mr. OLIVER:

1. Was the oil cargo of the steamer Drake, belonging to the Standard Oil Company, seized on January 26, 1917, for undervaluation?
2. If so, was the cargo released on January 28, 1917?
3. What amount of duty and penalty was paid on account of the cargo of the Drake?
4. Was any back duty on previous shipments by the same company collected?

Mr. REID:

1. No.
2. Answered by No. 1.
3. Full duties have been paid on cargoes landed from Drake. No penalties have been imposed on such cargoes for the reason they were properly entered.
4. Answered by No. 3.

FUEL CONTROLLER'S STAFF.

Mr. KAY:

1. Has the Government come to any decision as to the number of secretaries, assistants and office employees, which will be required in the office of the Fuel Controller?
2. Have any appointments been made?
3. If so, what are the names of the persons appointed?
4. What salary is paid to each?

Sir GEORGE FOSTER: The only help that has been ordered under pay for the Fuel Controller up to the present time has been the appointment of which I spoke yesterday, of Mr. H. P. McCue. Whatever help may be necessary in the future, that is the condition of things as it is to-day.

LIEUT. ROSWELL BLAIN.

Mr. MICHAUD:

1. Is Lieutenant Roswell Blain, whose home is in Brampton, Ont., and who originally enlisted in the 126th Battalion, subsequently transferred to the 116th Battalion, in Canada at present time?
2. Has he been discharged or is he home on furlough?
3. Is he still drawing pay?
4. If not, when did it cease?
5. Is Lieutenant Blain's wife drawing separation allowance?
6. If so, what amounts have been paid her?
7. From what date did the separation allowance start?
8. If not drawing separation allowance at present, when did it stop?

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Sir EDWARD KEMP:

1. Yes.
2. On furlough.
3. Yes.
4. Answered by No. 3.
5. Yes.
6. His wife is drawing the separation allowance to which she is entitled according to rank of her husband.
7. February, 1916.
8. Answered by No. 5.

WESTERN BUILDING INSPECTOR.

*Mr. LEMIEUX:

1. Has Mr. Gerrie, of Winnipeg, been recently appointed building inspector for the West in the Public Works Department?
2. If so, was he recommended by the Civil Service Commission?
3. What is his salary?

Mr. ROGERS:

1. Charles Gerrie, appointed building inspector for Manitoba, Saskatchewan and Alberta, on 5th July, 1916.
2. No; the outside staff of the Public Works Department does not come under jurisdiction of the Civil Service Commission.
3. $150 per month.

BUSINESS PROFITS WAR TAX.

INFORMATION AS TO RETURNS BY BUSINESS CONCERNS.

On the Orders of the Day:

Mr. F. B. CARVELL (Carleton, N.B.): I wish to ask the Minister of Finance if it is possible to have a clear statement of the policy which the Government intends to pursue regarding the publication of details of the taxation under the business profits war tax. I referred to this in the House some two or three weeks ago in the absence of the Minister of Finance, and the Prime Minister said he would bring it to the attention of the minister, but I have heard nothing further about it. I wrote to the Minister of Finance giving the names of four or five companies who I know have made large profits in the province of New Brunswick. I received the reply that no returns had been filed for the first year. I have received no further information. I am not bringing this up with a view to finding fault with the answers I received from the Finance Minister, but I feel it is a matter of so much importance that the House is entitled to a straight declaration from the Government as to how much or how little information the public are to receive in reference to matters of this kind. I do so largely because the hon. member

for North Grey (Mr. Middlebro) was able to give to the country certain detailed information with regard to twenty-three of the most important companies that come under this Act, and when I ask for information regarding other companies, I am unable to obtain it except to be treated as confidential. While it might be some pleasure to me to have private information, it is of no public value, and therefore it could not be used.

Sir THOMAS WHITE: When the Business Profits War Tax Act, which was introduced in the session of 1916, was under consideration, the statement was made that returns would be brought down provided a resolution of the House was passed asking for such information. It was thought inadvisable that details of private business should be given, There seems to be a consensus of opinion that such details should not be made public. There is a provision in the Business Profits Tax Act providing a penalty against any official of the department giving any information to the public respecting the details given in the return made by the taxpayers under that Act. I have given this matter a good deal of consideration, because my hon. friend from Carleton has raised the point in the House. I do not desire that the administration of this Act should be exempt from criticism. I think that would not be in the public interest. I shall always be prepared to discuss any resolution referring to the administration of that Act in respect to the assessment of any firm or company carrying on business in Canada, and subject to its provisions.

My hon friend has asked, what is the policy which the Government will adopt with reference to this? The conclusions which I have reached are: I think that a member of Parliament, as a member of Parliament, is entitled to know the amount for which any taxpayer is assessed. I think that, if he desires detailed information showing the amount of capital, the reserve and profits and other intimate particulars of the business of any individual or concern carrying on business in Canada, he ought to move for such information, and in so moving he should give the grounds upon which he desires it. He should lay a foundation which would justify the Government in placing before the country the intimate details of the private business of those engaged in commerce and industry. Then each such motion could be dealt with upon its merits. The Government could take the position that this information, by reason of the foundation which has been laid and the argument of the member asking for it, should be brought down, or, on the other hand, the Government could take the position that no proper foundation had been laid, and that the information should not be brought down. My own view is that a member asking that information of a confidential nature should be brought down and made public should lay a foundation, indicating that the assessment had not been properly made. Then, if such position were prima facie sustained in the argument, the Government would, I think, be justified in bringing down the information.

It is a very important matter to business firms in Canada that the intimate details of their private business should not be made public to their competitors. I believe 99 per cent of the business concerns will subscribe to that proposition as being sound, and only fair to them. They do not desire to escape taxation, but they do not want their competitors to know the details of their private business. I am not speaking of public utilities, or of public companies where returns are required by legislation or otherwise; I am speaking of the business of companies generally. Further, I may say that since this question has been raised I have asked the Acting High Commissioner in London, to ascertain from the Chancellor of the Exchequer, the practice in Great Britain, and I am informed, in reply to my cablegram, that under no circumstances would they permit the publication of detailed information relating to the business of individuals, firms, and companies carrying on business in the United Kingdom, and subject to the excess profits tax. The Government should, I think, take the position that we do not desire to be exempt from criticism. If there is a measure in force in Canada providing for taxation, the administration of that measure is a proper subject for debate in the House. On the other hand, we must be fair and just to the business community. The position therefore, is, as I have indicated, and it is not in any way inconsistent with the furnishing to the hon. gentleman for North Grey (Mr. Middlebro) of the assessments of a certain number of firms which paid during the first year the highest amount of business profits taxes. I have written to my hon. friend (Mr. Carvell) stating substantially what I have stated here to-day

If a member of Parliament, as a member of Parliament, desires to know how much "A" is assessed for, I think he should know, but if he desires to make public information relating to the details of private business, I think he should move by way of resolution in this House, and lay a foundation setting forth fully his reasons for making such motion and the ground upon which it is made.

Mr. CARVELL: Suppose that I, as a member of Parliament, should apply to the minister to obtain the amount for which any firm or corporation had been assessed, would he consider that was purely confidential to myself, or would I be entitled to use it? I assure him that unless I could use it it would be of no value to me.

Sir THOMAS WHITE: I stated that information would be supplied to a member of Parliament as a member of Parliament. When he gets that information, it is for him to use it in such manner as he thinks he is justified in using it, having regard to the responsibility of his position as a member of Parliament. There is a differentiation in my mind between giving information as to the amount of assessment and the details of a man's private business, which latter I do not think should be given. My hon. friend refers to one or two cases in which he received an answer from my department. The assessment for the second accounting period has not yet been made.

In one of the cases which he asked for information, there was no such company as my hon. friend named, and I suggested that he should see the Commissioner of Taxation. I do not believe there is an office in the Government that is more open so far as information is concerned than my own; it has always been my object to keep it so. At the same time, unless there are grounds for the charge that full information has not been supplied or that the assessment has been wrongfully made, it is not in the public interest that these matters which we have been discussing should be made public.

Mr. KYTE: I asked the Minister of Finance some months ago for the amount of the earnings and war tax of the Ogilvie Flour Mills company up to the end of the accounting period terminating August 31, 1916. The Minister of Finance about July 15 stated that the figures had not been worked out by the department. Can he supply the information now?

Sir THOMAS WHITE: The assessment on the second accounting period is now being made; we will have until September to make it up. The department is very busily engaged in going over the multitude of returns that have come in and it will be well into the fall before these assessments are settled. I think I gave my hon. friend some information with regard to the first year.

THE CANADIAN RAILWAY SITUATION.

CONSIDERATION IN COMMITTEE OF RESOLUTION RESPECTING CANADIAN NORTHERN RAILWAY COMPANY.

Consideration resumed in committee of the proposed resolution of Sir Thomas White (Minister of Finance) respecting the Canadian Northern Railway company, Mr. Rainville in the Chair.

Sir THOMAS WHITE: Last evening I stated that I could obtain at once some of the information that was asked for in addition to that already supplied to the committee. The member for Welland (Mr. German) asked for a copy of the trust mortgage securing the $45,000,000 issue in 1914. Only one copy is available; that I now lay upon the Table. Some hon. member asked for a copy of the mortgage securing the issue of $15,000,000 which was made last year; I lay that mortgage also upon the Table. The member for St John (Mr. Pugsley) asked for the official returns of the Government auditors. I have their monthly audit up to February last. I have not the audits made since that time, because it takes a couple of months to close up an audit in connection with a system as large as the Canadian Northern Railway system. I lay upon the Table this statement of the audit from May of last year until February of this year, inclusive. I think that is nearly all the information that was asked for, with the exception of an approximate balance sheet as of June 30 of this year. I have already laid upon the Table the balance sheet of last year; it is printed in the document now before the committee. I hope to have the balance sheet for the last fiscal year ended June 30, 1917, by the time the Bill is in the committee stage. I think that covers all that I was asked to obtain.

Mr. MARCIL: Has any information been asked for or brought down with regard to Model City, which Mackenzie and Mann are establishing near the tunnel in Montreal? Considerable interest is taken in this matter by the citizens of that city.

Sir THOMAS WHITE: I do not understand that that land is vested in the Canadian Northern—though if I am mistaken, I should be glad to be corrected. Mackenzie and Mann have hundreds of enterprises throughout Canada and elsewhere. If this matter has any relevancy to the discussion of the acquisition of $100,000,000 of stock of the Canadian Northern Railway system, I shall endeavour to obtain what information I can about it.

Mr. MARCIL: The citizens of Montreal were told that this Model City was being opened up in connection with the new tunnel. In fact, it cannot be reached except through the tunnel. All the land which could be purchased on the north side of the mountain was acquired and promises were made that a magnificent city would be laid out there. What I wanted to know was whether that enterprise had any connection with the Canadian Northern system or its subsidiary companies.

Sir THOMAS WHITE: I am not aware that it has any connection, but I shall inquire, and if I find that it has I shall make a statement in regard to the matter.

Mr. MARCIL: It is only fair to the public that the minister should explain exactly how the matter stands.

Sir THOMAS WHITE: I can obtain information about it only if the Canadian Northern owns the land. If it is some subsidiary enterprise owned by Mackenzie and Mann, or others, it has no connection with this resolution; it would have no bearing upon our determination of the issue.

Mr. MARCIL: In the statement that has been issued, certain lands owned by the company are dealt with; I thought that these might be in the same category.

Mr. PUGSLEY: The debentures amounting to $21,000,000 which are to be assumed by the Government have as their sole security the sales agreements of lands in the West, about 800,000 acres of unsold lands, and the cash proceeds of the sales which are in the hands of the National Trust company. They do not cover the land grants either in Ontario or in Quebec. My hon. friend will, I think, see the importance, before asking the committee to authorize the country to become liable for these debentures, amounting to the enormous sum of $21,000,000, of furnishing information with regard to these lands, where they are situated, what sales have been made each year since the Government became represented on the board of directors pursuant to the resolution of 1914—because the assurance was then made that the Government would be so represented—and what has been the average value per acre of the lands sold. My hon. friend will find that when those lands are all sold there will be a large shortage, amounting to several million dollars, which the country will be obliged to assume, and I think the people are entitled to have the information for which I have asked.

Sir THOMAS WHITE: As I stated last night, and as the Prime Minister stated, I utterly fail to follow the argument of my hon. friend from St. John. The Canadian Northern Railway company issued its debentures to the amount of about $20,000,000.

Mr. PUGSLEY: $21,000,000 is nearer the correct amount.

Sir THOMAS WHITE: Well, say $21,000,000. If they had had no lands at all to pledge, and had issued their debentures and taken the proceeds and used them in the construction of the system, if we took over the stock of the Canadian Northern Railway company, that would not in any way lessen or diminish the indebtedness of that company in respect of the issue of debentures. Instead of issuing those debentures unsecured, the Canadian Northern Railway company had land, and in order to make their debentures more attractive to the investing company, the railway company pledged the land as security for the debentures. My hon. friend says that when the transaction is at an end, there will be a shortage representing the difference between the amount realized from the sale of the lands and the amount of debenture stock issued. Assuming, for a moment, that that will be so—I do not know whether it will be or not—I ask: How does that affect this question? In what different position is it from other debenture indebtedness of the Canadian Northern? My hon. friend suggested last night that the Government might have nothing to do with those lands.

Mr. PUGSLEY: Hear, hear.

Sir THOMAS WHITE: The Government does not get into privity with the debenture holders except to this extent: They are in precisely the same position as with the other debenture holders. If those debentures are paid off in time, the Canadian Northern Railway company will have whatever security is left there, in lands, deferred pay-

ments, cash in trust or otherwise. This particular debenture issue is in a better position than is any unsecured debenture issue of the Canadian Northern, because it has those lands as collateral. My hon. friend asks for certain information as to where these lands are situated. I think I can give that to him. The Canadian Northern Railway company had in the provinces of Manitoba, Saskatchewan and Alberta, 4,002,848 acres of those lands. There have been sold 3,159,720 acres, leaving unsold 843,128 acres. The value placed upon those 843,128 remaining acres is $15 per acre, making a total of $12,646,925. In addition, the Canadian Northern Railway Company, has a land grant from the province of Quebec of 402,860 acres, all unsold; from the province of Ontario, a land grant of 2,000,000 acres, all unsold, those lands in both cases being valued by the company at $3 per acre.

Mr. PUGSLEY: I do not know if the minister is aware of the fact, but if the documents laid on the Table are correct, those debentures do not cover the land grant of 2,000,000 acres in Ontario nor the land grant of 402,860 acres in Quebec. On the contrary, those land grants are both hypothecated together with other securities, as the minister will find by turning to page 10 of the statement.

Sir THOMAS WHITE: I am not dissenting from that statement. I am giving these particulars for the information of the committee. In the province of Nova Scotia, there is a land grant of 150,000 acres, all of which has been sold. The deferred payments and accrued interest on the land grants I have mentioned were $7,140,996, less commissions on the collecting of the instalments, $478,887, leaving balance due on deferred payments and accrued interest on sales of $6,662,109. I understand that the 4,000,000 acres of land referred to were originally obtained by Messrs. Mackenzie and Mann as contractors in connection with construction of certain railway lines which they built in Manitoba. Those lands belonged absolutely to them. As the system grew, they transferred those lands which they owned to the Canadian Northern Railway Company, and they now appear amongst the assets of that company. In 1899, the company issued a land grant mortgage to the amount of $2,000,000, the proceeds of the mortgage being used for the purposes of railway construction.

Mr. PUGSLEY: On what lands?

Sir THOMAS WHITE: On the land grants.

Mr. PUGSLEY: In the West?

Sir THOMAS WHITE: Yes, a part of them, not all of them, about 1,600,000 acres. Again in 1909, they made an issue of $5,000,000. Provision was made under these two mortgages for retiring the mortgages as the sale of the lands proceeded. In 1913, an issue of £3,500,000 of 5 per cent land mortgage debentures were made, and the proceeds devoted to the purposes of the company.

Mr. PUGSLEY: What are these last lands?

Sir THOMAS WHITE: Part of the 4,000,000 acres in the West. In addition to the above, the Canadian Northern obtained 120,000 shares of stock in the Canadian Northern Prairie Lands Company, which, at par, amounted to $600,000, and in exchange that company gave the lands company 200,000 acres of land. The stock has been paying 10 per cent since its issue, and provision has been made from the sales of lands to retire the original stock at par. This was a transaction in connection with their issue of debenture stock, and the point I make is this, because I fail to see what bearing this has upon the question—

Mr. PUGSLEY: I will show the minister.

Sir THOMAS WHITE: I do not see what bearing it has, and I do not think it has any bearing at all, if we are going to take the stock.

Mr. PUGSLEY: What I was arguing was that you should not take the stock; you should expropriate the railway system.

Sir THOMAS WHITE: The Canadian Northern Railway Company issued debentures to the extent of $21,000,000, and the proceeds went into the road. If there had been no collateral, the railway company would not have been in as good a position to-day as regards the collateral, namely, the lands, which represent a substantial value, no matter what the precise amount may be. Therefore, I do not follow my hon. friend when he suggests that the railway company should not retain these lands. Why should the railway company give up its equity in valuable lands, even if those lands are pledged to secure an issue of debenture stock. My hon. friend says that he is in favour of expropriation.

Mr. PUGSLEY: I am not in favour of engaging in the enterprise at all while the war is on, or so long as present conditions continue. What I said was that if the road was to be acquired, it should be by expropriation, the country paying for the property what it is actually worth.

Sir THOMAS WHITE: My hon. friend put forward that argument last night, and I pointed out to him that if the Government expropriated this system, including all the physical assets of the several railway and other companies embraced in it, we should have to find a very large amount of money—my hon. friend said about $300,000,000. I pointed out to him that, from the standpoint of financing in times like these, it was very much better to continue the companies as they are, permitting them to do their corporation financing, and assisting them only to the extent that was necessary, rather than to attempt to expropriate the physical properties of the whole system, and having to find some $300,000,000 to do it with, because the indebtedness would have to be paid off. I pointed out further—and it has been pointed out frequently in connection with the Canadian Northern Railway system because the question has been before the House many times—that if the Government foreclosed and took possession, there would at once be liquidation proceedings in connection with all the companies included in the system.

My hon. friend has radically changed his mind on this question because in 1914, as was pointed out by the Prime Minister last night, he suggested that the stock should be acquired and that it should be valued by arbitration. More than that, he suggested that a maximum amount of $30,000,000 should be fixed.

Mr. PUGSLEY: The minister is not stating the facts correctly. If he would read the resolution he would see that by the amended clause the company was to have control of the system, provided they made no default If they made their interest payments promptly on the $45,000,000 and on all the other securities, things were to be allowed to run as they were for five years, the Government having the option of taking the stock by arbitration in case the company pulled through and took care of its liabilities for that period. But in case of default, the Government would have the right to take possession of the railway.

Sir THOMAS WHITE: My hon friend has taken two or three different views of this Canadian Northern Railway situation. He has a different solution every time the question comes up.

Mr. PUGSLEY: And if he has, he does not differ much from the Minister of Finance.

Sir THOMAS WHITE: We have had a consistent policy. In 1914 we took $40,000,000 of their stock in return for our guarantee. That left only $60,000,000 to acquire, and we are now proposing to acquire it. My hon. friend (Mr. Pugsley) has a different view every time this question comes up and he is always prepared to make his view fit in with what he thinks the political exigencies demand. In 1914 he was in favour of taking over the stock of this road at a maximum price of $30,000,000. More than that, his leader—and I shall place this upon Hansard before this debate is closed—moved in 1914 that immediate steps be taken to acquire the stock of the Canadian Northern Railway Company at a price to be fixed by arbitration, but not to exceed a maximum of $30,000,000. I shall be very much surprised if my hon. friend from St. John did not vote for that resolution.

Mr. PUGSLEY: I certainly did.

Sir THOMAS WHITE: He says he did, and now he wants us to expropriate. At a time when the financial conditions are as they are, he wants the Government to provide $300,000,000 to expropriate the property He goes back upon the view which he has expressed on more than one occasion, goes back upon the view which his leader expressed, and which he voted for in 1914.

Mr PUGSLEY: Was it not then represented to the House that the total liabilities did not exceed $300,000,000? To-day we find them put at $400,000,000. We do not know just what they are.

Sir THOMAS WHITE: My hon. friend is pretty good at explaining, but I think it will tax even his powers to explain his change of view.

Mr. PUGSLEY: Last evening the Prime Minister, departing from that courtesy which is characteristic of him, said that I appeared to be talking with an entire want of common sense in the remarks which I had made, and he based that suggestion on the fact that he could not for the life of him understand why, as the proceeds of the bonds which had been sold, being secured by the lands, had gone into the

road, the Government should take over the road and not the liability which existed against the unsold lands. Now to me there is nothing unreasonable in that. If it is in the public interest that this railway system be acquired, I do not see why the Government should not take proceedings simply to acquire the property which the country wants, and leave the land just as it is to-day, the title being in the Empire Trust Company as security for the bondholders. Those who put their money into the land grant bonds had no interest in the question, and no right to determine the question, as to what would be done with the money. We have no evidence that they knew, and I presume they never inquired whether any portion of the money went into the road or into tramways, coal mines, and the hundred and one other enterprises in which Mackenzie and Mann are engaged. To-day we are in this position: There is a railway and rolling stock—a very large railway system—which the Government says it is in the interest of the country to acquire. There is a land grant in respect of which 800,000 acres remain unsold. There are also some sales agreements, and there is also some money in the National Trust company. Now the country does not need these lands. Everybody will admit that they form no part of the railway system. Why should the Government, in taking what it requires as regards the railway system itself, be compelled to take lands which it does not need, which form no part of the railway system, and against which there is an enormous debenture liability, which this Government has to assume if it acquires the stock as is now proposed? The argument which I was making was, that the Government should expropriate the railway system, leave the Canadian Northern Railway Company as a company, leave the Canadian Northern stock as stock, and leave the lands, and the debentures against the lands, just as they are to-day.

Suppose a man owns two properties, upon one of which he has erected a building. Then he wants to put a building on another property, and he borrows money upon the security of property on which he has already put up a buliding. The Government comes along and says "we want one of those properties on which to build a railway station." Would it not have the right to take it? Could he say "you cannot take one property unless you take both, because I have actually borrowed money on one of those properties with which to erect a building upon the other. If you take one you must take the other?" Would not such a contention be treated as entirely absurd? Yet the Prime Minister is not able to see—perhaps I am doing him an injustice, and that I should say that he professes not to be able to see how the Government can expropriate a railway system without taking a lot of other property, simply because some money may have been raised on other property for the purpose of assisting in the construction of the railway. If the Government takes the railway, the company gets the benefit of the money which was put into is as a portion of or as the whole proceeds of the land which was sold. The Government pays for that. It has added that much to the value of the railway, which the Government pays for when it expropriates the title of the company. I think one has only to state the proposition in order to show the grave injustice it is proposed to perpetrate against the people of this country by compelling them under the arrangement which this Government brings forward to force the people of this country to become liable for the enormous sum of $21,000,000, and simply have those lands as security, the cream of which has, I believe, been sold years ago, and which lands, in all human probability, would not realize more than one-third or one-half of the obligations which this Government is going to make the country assume with respect to those land debentures. Yet the minister asks us to go into this thing blindly.

Sir THOMAS WHITE: Why does my hon. friend use the words: "the Government is going to assume in respect of the lands?" The proceeds of the debentures went into the construction of the road, and the lands will be collateral for the debentures, and are the equity which remains the property of the Canadian Northern Railway Company. I may say to my hon. friend that I have before me the official report of the Canadian Northern Railway Company for last year, which shows that during the year 19,443 acres of the system's lands were sold, at an average price of $16.37 per acre, an aggregate of $318,248. As I understand my hon. friend he wants us to get rid of those lands, which sell at $16 an acre.

Mr. PUGSLEY: The minister is not so much of a child as he would try to make himself appear. He assumes that because settlers, or land purchasers from the States, come in and go all over a tract of land,

picking out here and there from the best, which they buy at $16 an acre, that the rest of the land is worth $16 an acre. I can take the minister into sections of the Northwest, where he will find lands worth from $15 to $20 an acre, and even find some land worth perhaps $40 an acre, depending upon the location. In the same township, he will find hundreds and thousands of acres of land which would not sell for $5 per acre—land which no one wants, being either alkali or rough broken land, which is not saleable at all. The "American invasion" was beginning in 1902, when thousands of settlers from the United States came into this country. They went over those lands in Saskatchewan, Alberta and Manitoba which are comprised in the land grant of the Canadian Northern system, and they picked out the very best lands in those districts. We have no right to assume that the land which is left to-day is worth anything like the same price as the land which was then chosen by those settlers. I venture to say a great portion of the land bought by people from the United States was purchased at from $2.50 an acre up to, perhaps, $16 per acre. The minister says the proceeds of those land bonds went into the railway. If they did, does not the country pay the company for them? For the sake of argument let us say the railway is valued at $100,000, and $25,000 represent the proceeds of the sale of land debentures which went into the railway. Does not the country pay that $25,000?

Sir THOMAS WHITE: In valuing the stock, does my hon. friend mean to say that he would only consider the amount spent on the road, and would not consider its liabilities?

Mr. PUGSLEY: In valuing the stock, you must consider all the liabilities. The trouble is when you propose to value the stock you start out with the idea that it has a market value. The commissioners whom you appointed to investigate the matter say it has no market value. Anybody who has given any thought to the subject will agree that in all human probability a judge of the Exchequer Court would not allow a valuation up to the amount of the securities. All I am arguing for is that this country shall simply pay what the property is worth, and let the proceeds of the sale be divided among those who are holders of the securities and who may be entitled to it. If under a valuation there is anything left after paying off the obligations, then of course the holders of the stock would be entitled to get their share of it.

My hon. friend has referred to what occurred in 1914, and spoke of the position I took at that time, and of the amendment which was moved, but he has not stated all that took place. When it was proposed to lend the company a sum of $45,000,000 it was represented to this House, which took the word of the Government, that with that $45,000,000 the company would be able to pull through, and would not come back again to Parliament for more assistance. That was the assurance which was given to this House. We believed the statement of the Government, and we, on this side of the House, said that the company was coming in a bankrupt condition, admitting that unless it was aided to the extent of $45,000,000 it could not pay its liabilities, and could not continue business, but must go to the wall. Our view was: "assuming what you say is true, and that this will enable the company to pull through, provide, as a condition to the company getting this $45,000,000 aid, that it shall hand over to the Governor in Council all of its issued stock. Place that stock in the hands of the Government, so that if there should be any default, and if the company should not be able to pull through, then the country will have that stock without paying anything more, or giving any further assistance. Stipulate that it shall be held for five years, and if during those five years there is no default, then the Government will have the right—the railway having kept the road going, paid its liabilities, met its interest and demonstrated that it could carry its affairs along—if it should be the will of Parliament to take over the road, it shall be taken over at a valuation which shall not exceed $30,000,000."

4 p.m.

Is not that a different proposition from what is before us to-day? All the promises held out to the people of this country through this Parliament have proved to be false. The company was not able to carry on its business, and, apparently, was not able to provide the necessary rolling stock, or make the necessary betterment, if we are to believe the Finance Minister to-day, and give way to the arguments he puts forward in respect of this resolution.

To-day the liabilities are admitted to be upwards of $400,000,000. In 1914 the Government led us to believe they were only $300,000. Is the position very different by reason of the vast increase in liabilities beyond what we were told they were in

1914? The conditions are different for another reason, that in 1914 there was no war on. The Government could then borrow money in the markets of the world at 3 per cent per annum. Even the Provincial Government of New Brunswick of which I was formerly a member floated a large loan not many years before that at 3 per cent. To-day the minister is obliged to go out of this country down to the markets of the United States and borrow money at the enormous rate of 6 per cent per annum. The credit of this country is being strained to the utmost. Burdens unthought of and deemed to be impossible of realization some years ago are to-day being put upon the people of this country, and they are responding cheerfully in order to carry on the war and to do their portion to enable the Government to assist the Empire to the fullest extent possible; and in this time, when the minister knows that this is the condition of affairs, he is coming and asking the people of this country to undertake an additional burden running up to the vicinity of half a billion dollars and to assume an unknown liability which may amount to thirty, forty, fifty or sixty million dollars more, to go into the pockets of Messrs. Mackenzie and Mann. They are also putting this country under the necessity of spending in the near future many millions more in building the road up to standard at which the people of this country will expect it to be maintained in case it is acquired by the Government—and the minister is doing all this in face of the deplorable financial position in which Canada stands to-day, and in face of the enormous rate of interest which the country is obliged to pay. The minister talks about me changing my mind. How is it with him? Last year when he came before Parliament he gave us to understand that, in his opinion, it was a thousand times better to give temporary assistance to this railway, to carry it over these troublous times, and he told us that he would look——

Sir THOMAS WHITE: My hon. friend is misrepresenting my position. I said in my speech last year that these repeated applications for aid had become intolerable and that we would appoint a commission for the purpose of finding a permanent solution for the railway situation in Canada.

Mr. PUGSLEY: But the minister did not intimate that he would take over this great liability and incur these enormous obligations while the war was on. He said that he would deplore any movement that would involve the country in such a great liability. He said we must look, first of all, to the credit of the country, to the obligations which Canada must bear in connection with the carrying on of the war, and the only conclusion that could be drawn from the argument of the minister was that after this report would be made and when the times would become good again, when the war would be over, when the credit of the country would be re-established and prosperity would come to us again, then the Government would decide what should be done in connection with both of these great railway systems.

I have thought it desirable to make these remarks in answer to the statements made by the Prime Minister and the Minister of Finance yesterday.

Mr. CARVELL: I was not able to be in the chamber yesterday, and did not hear all the Minister of Finance said. I should like to know if he could tell the committee how much money it would take to meet the present liabilities of the company. Can he also give any estimate, based upon reasonable facts, as to what it is going to cost to finish the system? For instance, we know that the Montreal terminals are in a semi-completed condition; that the Vancouver terminals are in the same condition; that there are enormous trestles on the North Thompson river and on the Fraser river, and that there are unfinished or uncompleted portions of the work all over the system. Before Parliament can intelligently decide upon this thing we ought to know exactly where we stand, because, as I understand the resolution, it is the intention of the Government to preserve the entity of the Canadian Northern railway, with which I must say I agree in a sense, because under present financial conditions it would be a serious matter if we were compelled to liquidate all its liabilities. The Canadian Northern railway is to be maintained as an entity, but purely under Government control. Now, if it be under Government control, the Government must go on and finish the road, and I think the committee should have as nearly accurate figures as the minister can give as to what it will take to pay of the present liabilities and complete the road as at present laid out. I do not mean this year; it might take two or three years to do it.

Sir THOMAS WHITE: I made a pretty full statement last evening covering all the matters to which my hon. friend has referred. With regard to the Montreal and Vancouver terminals, there is part of the

proceeds of the $45,000,000 remaining with the receiver general available for finishing those works.

So far as concerns rolling stock, I pointed out last night that the Drayton-Acworth report dealt with that, and that while the company had stated that it would require $25,000,000 worth of rolling stock, the report of the commission was that, in their opinion, it would require $50,000,000 of rolling stock, spread over five years. But it was stated in the report that that was on the basis of the business of the system being increased by 90 per cent. I pointed out that it would be the object of the Government that the public of Canada should be served, so far as possible, by the Canadian Northern railway being adequately equipped with rolling stock, and I said that the Minister of Railways was giving orders for cars for the purpose of still further equipping the Intercolonial and the National Transcontinental railway. I said also that, while it might require large sums to ideally equip any railway, the company could reasonably get on with such expenditures for rolling stock and other equipment as might be possible, having regard to financial conditions. I do not believe myself that would present a very considerable financial burden, that is in financing the company to the extent necessary to purchase rolling stock for, as my hon. friend knows, the ordinary railway company furnishes itself with rolling stock by issuing what are called rolling stock debentures. The Canadian Northern railway will remain as a going concern and can issue debentures secured upon rolling stock purchased, provided it is in a position to pay down a certain small percentage at the outset. My hon. friend is familiar with the way in which these debentures are retired by paying off each year the interest and part of the principal. My hon. friend has information that the company has spent its earnings in betterments and other instalment payments, principally upon rolling stock, and that it has run behind to the extent of the interest upon its underlying securities, which is a matter of some $15,000,000. I stated that the company would require, in order to go on until the spring of next year, some $20,000,000 or $25,000,000, and instead of the Government making them a loan, we determined we would take over the stock, so that any advances made would enure to the benefit of the people of Canada.

So far as the short term loan situation is concerned, there is something like $98,000,000 spread over two years, but those loans are all very well secured in many cases by Government guaranteed securities to an amount more than representing the short date notes which had been issued against them. What I would look forward to would be—just as during the past two years—the company renewing those loans as they fell due, or making one or two short date issues, for the purpose of obtaining the money to retire the present short date issues as they matured. In other words, the company will continue its corporate financing after the Government becomes the sole stockholder. That is one of the advantages, as I submitted, in our maintaining the corporate entities of the Canadian Northern and all the other underlying subsidiary and constituent companies.

Mr. GERMAN: Are these land grant bonds or debentures secured in any other way, excepting on the land itself? As I understand, there are no liens against the physical property of the Canadian Northern railway. Are these four per cent land grant bonds, 1909 and '99, etc., and land mortgage debentures secured by a mortgage on, for instance, the Canadian Northern Railway system, or are they secured by mortgage on the land itself?

Sir THOMAS WHITE: Before the Bill is considered in committee, I shall inquire particularly into that matter, but I may say to my hon. friend that the debentures, while they are the obligation of the Canadian Northern railway, are secured only upon the lands which were owned by the Canadian Northern, the equity of which, of course, is still in the company.

Mr. GERMAN: Then the Canadian Northern would be personally liable for this indebtedness, but there would be no lien for the amount of that indebtedness against the Canadian Northern railway itself. I presume these unguaranteed securities are secured by a mortgage on the physical property of the railway?

Sir THOMAS WHITE: Yes.

Mr. GERMAN: And in priority to the trust deed taken by the Government in 1914?

Sir THOMAS WHITE: Yes.

Mr. GERMAN: So that if foreclosure proceedings were taken under the trust deed of 1914, the mortgage securing what I would call the unguaranteed securities would have priority, and would have to be paid off?

Sir THOMAS WHITE: Yes.

Mr. GERMAN: I presume that is so. That clears the situation somewhat to my mind. I stated when this resolution was introduced that I was opposed to the proposition for more than one reason. I am opposed to the proposition because, in my opinion, it does not go far enough. Last year, when the Government asked Parliament to grant further aid to the Canadian Northern Railway company, the Minister of Finance stated, as he has stated to-day, that a commission would be appointed to inquire into the whole railway system of Canada, and to report as to the best means of dealing with the whole railway system. That commission was appointed, composed of three of the best men that the Government could get—three undoubtedly exceptionally good men. These men have reported, and two of them, Sir Henry Drayton and Mr. Acworth, have made the majority report. They have reported in favour of a scheme altogether different from the scheme which the Government is proposing. Their report is absolutely at variance in my opinion with the proposition which the Government had suggested. I would have been glad to have seen the report of the majority of that commission more fully carried out than is being done.

I think the time most opportune when the Government should have courageously taken over this whole matter, in view of the duplication of railway lines across the Dominion of Canada, which are paralleling each other, and which are absolutely unnecessary. There are branch lines being projected all over the country which are not necessary for the development or the needs of the country. I think it was the duty of the Government, and the people expected the Government, to take a more courageous stand in this matter and follow out, to a very large extent at any rate, the recommendation of Sir Henry Drayton and Mr. Acworth. But they are not doing that. I am not at all in accord with the report of the majority of the commission in regard to the Grand Trunk I quite agree with the statement of the hon. gentleman from South Renfrew, that the report is a very harsh one in regard to the Grand Trunk railway, which is the pioneer road of the country, but it is not necessary to develop that position at the present time. I wish to state, however, that I would have been in favour of a broader and more courageous policy, one which would have gone further in the way of public ownership of these railway systems than this proposition goes. Whatever we may have thought in the past in regard to public ownership of railroads, we must change our opinion at the present time, if we are to keep pace with the opinion of the public, because it is an undoubted fact that the wheels of democracy are revolving very rapidly. The democratic juggernaut is advancing rapidly, and those who stand in the way will be crushed under its wheels, whether they are lords, barons, knights or premiers.

Sir THOMAS WHITE: Then do not stand in the way.

Mr. GERMAN: And I tell the Government they must not stand in the way. The people are determined to have public ownership of these utilities, and it will come. As far as I am individually concerned, I am in favour of the proposition of the Government for taking over the Canadian Northern railway, so far as it goes, but not at all in the manner in which they are doing it. In 1914 I, at any rate, advocated the taking over by the Government of this whole system. I stated then that the Canadian Northern system was bankrupt. The Prime Minister acknowledged it was bankrupt. The Solicitor General acknowledged that they had to have assistance from the Government in order to complete the lines, or bankruptcy stared them in the face. It is bankruptcy to-day, in so far as being capable of going ahead and doing business is concerned.

As the Finance Minister has stated, they must have $20,000,000 or $25,000,000 immediately to tide them over their present difficulties. That being so, it is the duty of the Government to take over this road. But under what system should it be taken over? I say most emphatically—and I believe that in this I am borne out by the majority of the people—that the system that the Government is adopting in taking over this road is not the best system. The member for St. John has said—in that I agree—that there should be an expropriation of this property. Hon. gentlemen opposite try to surround this question of expropriation with a considerable degree of mystery. But there is nothing mysterious in expropriation proceedings; such proceeding are being taken every day; they are being taken continually by the Government. The very day the Government began expropriation proceedings in respect of the Canadian Northern Railway system, the people would become the owners of that system; the Government could take possession of it and begin to operate it, just

as the Minister of Railways and Canals can take possession of lands on the new Welland Ship canal. He begins his expropriation proceedings—he does not wait to have the value of the lands fixed—and the moment he begins those proceedings the title to the land is vested in the Crown and the Government can begin operations on it at once. If the parties cannot agree as to the value of the land, the matter is left to the decision of the Exchequer Court. There is no reason why the same proceedings should not be taken with regard to the Canadian Northern Railway system. There would be no delay; indeed, it would be a quicker transaction than the present method, because the Government, by virtue of their right of eminent domain, would become the owners of the property the moment they began expropriation proceedings.

Mr. BURNHAM: Who would provide the operating staff?

Mr. GERMAN: The operating staff would be provided by the Government just as they propose to provide an operating staff now. There is no difference.

Sir THOMAS WHITE: I understood my hon. friend to say that he was in favour of the Drayton-Acworth report. Does he not know that what he now suggests as to taking immediate possession of the system and operating it is opposed in the recommendations of the Drayton-Acworth report?

Mr. GERMAN: The Drayton-Acworth report recommends that the Government take over the property, but not by purchasing the stock.

Sir THOMAS WHITE: I wish to correct my hon. friend; he is entirely wrong.

Mr. GERMAN: The Drayton-Acworth report says that the stock has absolutely no value and that Mackenzie and Mann have by law no right to any compensation. If any compensation is given, it is a matter of charity; it is an equitable right which they may have if all things prove to be in accordance with their hopes. The Drayton-Acworth report simply says that the Government should take over this property. In that the Finance Minister and myself differ; but I shall refer the House shortly to the words of the report. I contend that the proper way to acquire ownership of this road is by expropriation proceedings. When they begin expropriation proceedings of any kind, the Government state the amount that they are willing to pay for the property. There are a large number of mortgages—whether you call them debentures, debenture bonds, debenture stocks or debentures of any kind, they are mortgages against the Canadian Northern railway system—securing the people who have advanced money for the construction of the road; and those mortgages are registered against the property. There is no mystery about that; the mortgages are there, and their total amount is easily determined. If the Government thought that Mackenzie and Mann were entitled to any honorarium by reason of their years of work they could add the total amount of the mortgages to the amount of the liabilities against the company. They could simply say to the Canadian Northern Railway company: here is $450,000,000; we will pay that for the property. That amount is to cover all the legitimate liabilities against the property. What would then happen? The Government would immediately become the owner of the property. If the Canadian Northern Railway company did not see fit to accept the $450,000,000, the matter could go to the judge of the Exchequer Court and the valuation be there determined. If they did accept the $450,000,000 the Government would see to it that that money went to the security holders. But the minister says: under that plan you would assume greater liabilities. I submit that you would not be assuming any liabilities at all. The men who now hold mortgages against the property would be perfectly willing to allow the mortgages to stand. They are not anxious to get their money; in fact, the money is not due. The Government takes the property subject to the mortgages and when the mortgages are due they will attend to them. Suppose the Government is expropriating farm lands for canal purposes. Suppose the land is worth $10,000, and there is a mortgage against it for $10,000; and suppose the owner is further indebted to Tom, Dick and Harry around the country in very large sums of money. The Government expropriate the land and they say: we will give $10,000 for it. They do not necessarily have to pay the $10,000, because the mortgagee is perfectly willing to let his mortgage stand there if the Government is willing that it shall so stand. Simply because they have expropriated the land and are liable to pay the $10,000, they are not liable to pay all the other indebtednesses of the owners of that land.

Mr. MEIGHEN: The hon. gentleman will admit that the party who held the mortgage

would have the right to collect for the land expropriated, if he wished to do so.

Mr. GERMAN: If the mortgage was due, he would have the right to collect it, but not otherwise, unless there was a clause in the mortgage providing that any change of ownership would give the mortgagee the right to collect. If I sell to the Solicitor General a farm which has a mortgage on it, the mortgagee cannot collect the amount of the mortgage unless there is a provision in the agreement that any transfer gives him the right to collect.

Sir THOMAS WHITE: Suppose expropriation proceedings were taken and my hon. friend represented an unsecured creditor for a large amount. My hon. friend could take out an order for a receivership. Does he not know that when an order for receivership is taken out, having regard to the terms of the mortgages securing the underlying issues of the Canadian Northern, the principal becomes due and payable and the whole of these companies can be thrown into liquidation. That is what we are trying to avoid.

Mr. GERMAN: That of course, is beyond the comprehension of any man who knows what would likely happen. They may have that legal right, but you would get the property without any difficulty. In my opinion, there would be no difficulty from that source.

Mr. MEIGHEN: There could not possibly be any greater difficulty. Every man with a claim would force liquidation. His mortgage would become due. What was worth fifty cents the day before liquidation would be worth $1 and the Government would have to pay it.

Mr. GERMAN: Not at all. The Solicitor General is quite wrong. The Government would be the owner of the property subject to the mortgages that were against it. If there were any unsecured creditor who thought that the Government was offering less for the property than the property was worth, he could undoubtedly institute proceedings. That would not necessarily put the whole matter into liquidation.

Mr. MEIGHEN: Not if we paid up the debt.

Mr. GERMAN: Not at all, because the judge of the Exchequer Court would immediately proceed under the expropriation proceedings to ascertain the value of the property, and as soon as he had done that, his decision would be final, and it would cut out all the unsecured creditors. There could not be any difficulty of that kind at all. Any unsecured creditor could, if he saw fit, appeal from the decision of the judge of the Exchequer Court to a judge of the Supreme Court, as to the value of the property.

Mr. MEIGHEN: That might be the end of it, but what about any man's claim in respect of which he could at any time throw the company into liquidation, and immediately liquidation proceedings are instituted, liquidation follows. At the same time, the bondholders have a right to their money and can call upon the Government for it.

Mr. GERMAN: How?

Mr. MEIGHEN: If all the claims, unsecured and otherwise, could be paid, then everything would be paid just the same as now when we are taking over the stock.

Mr. GERMAN: My hon. friend is bringing up a question which could not possibly arise and which only emphasizes the difference between the Government's proposition and the proposition which I think they should adopt. I presume the Government purposes forcing through their proposition as they have outlined it. The best, most proper and quickest way would have been the expropriation. The Prime Minister said yesterday in reference to these land grant bonds that the $21,000,000 or thereabouts, which is a liability against the Canadian Northern Railway company, is not secured on the property of that company.

Sir ROBERT BORDEN: Only on the land.

Mr. GERMAN: Only on the land. If the Government take the physical property of the Canadian Northern Railway company, they would not be bound to pay that $21,000,000, because they took the property. That money is not secured on that property, and the holders of those bonds would be relegated to the land on which they have the security and that would be all, except that, as the Solicitor General says, they could bring an action for the liquidation of the company, and that is the only remedy they would have.

Sir ROBERT BORDEN: By expropriation proceedings, does my hon. friend mean that he would dismiss altogether the unsecured claims against the property?

Mr. GERMAN: No.

Sir ROBERT BORDEN: Then, why should you dismiss claims secured on only part of the property?

Mr. GERMAN: What I say is this, and I am coming to the last point in regard to the matter. This point was raised the other day by the hon. member for South Renfrew (Mr. Graham). I refer to speculation in those unsecured claims. By expropriation proceedings we would know how much money from those unguaranteed securities went into this road; how much money was actually advanced. Hon. gentlemen must remember that as soon as this scheme passes through this House, those securities will rise enormously in value, and there will be an enormous amount of speculation in them. The Government will have to pay 100 cents on the dollar for security which, so far as benefit to this road is concerned, yielded only about 60 cents on the dollar, or there will be forty or fifty million dollars paid to the holders of those securities to recompense them for securities on which they paid only, perhaps, 50 per cent of the money which they are getting. That is why I raise that point.

Mr. MEIGHEN: On what securities did they only receive 60 per cent? No securities in the world are of that character. There were securities sold slightly under par on a 4½ per cent basis and some on a 3½ per cent basis, which have since gone down in value because money is worth more now than it was then; it is worth more to the Government to-day than it was then. It might not pay the Government to discharge those securities.

Mr. GRAHAM: The securities of some of the subsidiary companies.

Mr. MEIGHEN: They did not sell down to 60 per cent.

Mr. GRAHAM: They fell to 70 per cent.

Mr. MEIGHEN: All the securities sold fairly high.

Mr. GERMAN: Under the Government's proposition, the position would be that the creditors could dictate terms, whereas under expropriation proceedings, we would be able to dictate terms. I am not suggesting that the Government should repudiate by a fraction of a cent any proper liabilities of the Canadian Northern railway, but by expropriating, the Government would be in a position to dictate the terms and do justly by those people without allowing them to rob the treasury of Canada, as I am afraid they will do if the proposition of the Government is adopted.

[Mr. German.]

The Government is purposing to refer to a board of arbitration the question of the value of this stock. This is the first time in my experience in matters of this or any other kind that a proposition was ever made to refer to arbitrators the question of fixing the value of something which every one admits has no value, Every one, in this House or out of it, knows full well that the report of Messrs. Drayton and Acworth as to the value of that stock is absolutely correct, and they report that that stock has no value. Let us see what they say, and it is proper that this should appear very fully on Hansard. In the first place, at page 41 of their report, they speak of the value of the Canadian Northern undertaking. They estimate the value from three separate points of view—from the point of view of the cash investment, from the point of view of the physical basis, and from the point of view of its value as a going concern. They say, from the point of view of a cash investment, that the maximum cash investment that can have been made in the property is $383,302,451. That is based on the report of Professor Swain, the highest possible authority on railway matters. According to the balance sheet, the liabilities against the company, without considering the value of the $100,000,000 of stock of the parent company and the $5,000,000 of stock of subsidiary companies, amount to something over $470,000,000. As to the cash investment, $383,000,000 actually went into the property, and there are liabilities amounting to $470,000,000 against it. On that basis the commissioners find that $383,000,000 would be the maximum possible cost of the Canadian Northern Railway system as at present existing. In other words, it is frankly admitted by Canadian Northern witnesses that the shares represent no cash investment.

What about the physical basis? The cost of reproducing is calculated in the same way, and the figures are to be found on page 43 of the report. The commissioners give practically a summary of their previous finding. They say:

> We find then that, on the physical basis, the value of the property of the Canadian Northern shareholders is distinctly less than the amount of the liabilities against it. On this basis the equity of the shareholders must be regarded as non-existent.

Mr. BURNHAM: Does not my hon. friend think that if the stock cost nothing or next to nothing, it would be good business to get control of the Canadian Northern in that way?

Mr. GERMAN: If we acquire the stock, whether we acquire it for something or for nothing, we have absolute control over the Canadian Northern railway.

Mr. BURNHAM: If its value is nothing or next to nothing we need only pay a dollar for the purpose of making the agreement legal. Is not that good business?

Mr. GERMAN: Yes, but the liabilities of the company have also to be taken into account.

Mr. MEIGHEN: The hon. gentleman says that we have to pay all the liabilities in any event.

Mr. GERMAN: Any legal and proper liabilities.

Mr. MEIGHEN: When we take the stock, we shall certainly not have to incur any liabilities that are not legal and proper.

Mr. GERMAN: I am not so sure. Arbitrators are to be appointed—

Mr. MEIGHEN: They do not decide the question of liability.

Mr. GERMAN: They decide the value of the stock, and that is the point to which I am directing my remarks at the present time. It is in respect of that, that I propose to take as strong exception as I can. My hon. friend from Peterborough says that if we get the stock for nothing or next to nothing, we shall be making a good bargain. Very well, but the reason I am objecting to the appointment of these arbitrators is that I fear they will make us pay $15,000,000 or $20,000,000 for stock that is worth nothing.

Sir ROBERT BORDEN: Why did my hon. friend vote for acquiring it by arbitration in 1914?

Mr. GERMAN: I am not so sure that I did, but at all events the hon. member for St. John has explained that very clearly and very successfully.

Mr. MEIGHEN: He did not touch it at all.

Mr. GERMAN: I am touching it now. Whatever I may have done in 1914, I know what I am going to do now. I know what the people of Canada expect us to do, and what they will approve of and disapprove of, and I am very certain they will disapprove of the appointment of arbitrators in the manner proposed, when they know all the circumstances connected with it.

The Minister of Finance said three years ago that the railway, with the $45,000,000 advanced, would be practically on a sound financial basis, and would require no further assistance. That is one reason why we might have voted for acquiring the stock by arbitration at that time. Last year, when $15,000,000 was advanced for the road, the Minister of Finance said: "We will not continue this yearly advancing of money, but will appoint a board of commissioners to ascertain and report upon the whole railway system of Canada, and when we have received their report we shall know what to do." The Government now have the report in their hands, and I ask them to carry out the recommendations that have been made, instead of doing what they now propose. The Minister of Finance says that in regard to arbitration, he is carrying out the recommendation of the commissioners, but I beg to differ with him. The report does not recommend that an arbitrator be appointed by the Government; there is no such suggestion in the whole report. The commissioners say on page 62, under the heading "Arbitration Recommended":

> But under the scheme we propose, the trustees will operate the Canadian Northern lines as part of a combined system. . . .We suggest that if it is decided to permit the present shareholders to retain a portion of their holding—

They do not suggest that the shareholders be paid cash. To continue:

> . . . if it is decided to permit the present shareholders to retain a portion of their holding, the Act of Parliament constituting the Board of Trustees shall contain a provision for arbitration between the trustees and the Canadian Northern Company, and establishing an arbitration board to act forthwith. The trustees should appoint one arbitrator—

Not the Government. It is the trustees who are to be appointed by the Government who are to appoint an arbitrator. The Canadian Northern shareholders appoint the other, and those two arbitrators agree on the appointment of an umpire, and failing agreement, he umpire is to be appointed by the Chief Justice of the Exchequer Court. I say that in that there lies a distinction as well as a difference.

Sir ROBERT BORDEN: Who was to appoint the arbitrator under the proposal of my hon. friend in 1914?

Mr. GERMAN: I do not remember, I am sure. I have not taken the trouble to look it up, and I really do not care at the present time.

Mr. MEIGHEN: Does not the hon. gentleman think that the Government, who he ad-

mits had succeeded in appointing the three best commissioners possible, might be trusted to appoint one arbitrator?

Mr. GERMAN: I do not think so, and I will give reasons why before I get through. Let us see what these arbitrators are to determine, and let me say, first of all, that the scheme recommended in the majority report is not the scheme proposed by the Government. My hon. friend can whistle to keep up his courage, if he sees fit, but the people of Canada will appreciate that the two schemes are not the same.

Sir THOMAS WHITE: We are adopting the mode suggested by the Drayton-Acworth report in dealing with the Canadian Northern. There is no board of trustees now. The recommendations of the Drayton-Acworth report for the creation of a board of trustees could not be carried out.

Mr. GERMAN: If you are abandoning the Drayton-Acworth report in that respect, why not appoint a judge of the Exchequer Court to determine the value, if there is any value. Let us now see the difference between the Government's reference to the arbitrators, and the reference suggested by the commissioners.

At page 62 of their summing up they say:

> We think that, on the whole, the equity of the case would be met if the Canadian Northern shareholders were permitted to retain a moderate portion of the $60,000,000 of shares which they now hold.

That is not a reference to arbitration to find the value of the stock. They say equity would be met if the shareholders were permitted to retain a moderate portion of the stock. They say, further, after speaking of the manner in which the trustees should be appointed:

> the arbitrators should be empowered to decide two questions.

Not the value of the stock at all, but,

> what proportion of the Canadian Northern common stock may fairly remain the property of the present holders.

Mr. MEIGHEN: And what they should get on it.

Mr. GERMAN: What portion may fairly remain the property of the present common stockholders, and

> what proportion of the earnings of the Dominion Railway Company may fairly be regarded as attributable to the Canadian Northern lines. To illustrate our meaning, we will assume that the arbitrators decide that five per cent of the Canadian Northern shares still remain the property of the existing holders—

5 p.m.

That would be three million dollars' worth of the stock.

> —and further decide that one-half of the total earnings of the Dominion Railway Company will be fairly attributable to the Canadian Northern lines. Then their decision will mean that out of any dividend declared in future by the Dominion Railway Company 2½ per cent (one-half of five per cent) will be payable to the existing Canadian Northern shareholders or their transferees. We think the arbitrators should fix this resulting percentage once for all.

That is, the arbitrators were to be appointed to fix once for all what was the actual cash value of the two and a half per cent—not the value of the stock on a two and a half per cent basis on the probable dividends which the company would pay, and when they would pay it—not any question of any value of $60,000,000 of stock at all. When this Government refers the question of the value of this $60,000,000 of stock to three arbitrators, they at once admit, tacitly at any rate, that there is a value to that $60,000,000 of stock, and I will venture to say that Mackenzie and Mann will, perhaps, be able to get men of high standing, who will put a good high value upon it. Sir William Mackenzie himself puts a value of par upon it. He says it is worth $60,000,000 or more, and one of the reasons why he asserts that is because the Government took $40,000,000 of the stock as a security for a guarantee of $45,000,000. That is what he says. Whatever argument there may be in it is another thing.

Mr. MEIGHEN: There is no argument in it, and of course the hon. gentleman knows that. I did not see that Sir William Mackenzie had uttered such a statement.

Mr. GERMAN: That is the ground upon which he put it, as I understand the matter.

Mr. MEIGHEN: If he said that, it is the poorest exhibition of his intelligence I have ever seen.

Mr. GERMAN: It would be a poor exhibition of intelligence on the part of any one else.

Mr. MEIGHEN: As a matter of fact, he did not say it at all.

Mr. GERMAN: Might I ask my hon. friend what he did say?

Mr. MEIGHEN: I saw the statement that in his opinion it was worth $60,000,000 but he did not say the Government had fixed the value of it because we took $40,000,000 of it as security for our assistance to the company in guaranteeing $45,000,000 of bonds.

Mr. GERMAN: Did he say what was taken?

Mr. MEIGHEN: I did not see that he said that.

Mr. GERMAN: Our position in regard to this board of arbitration is as I have stated it. In the first place, it is not a board appointed in compliance with the report of Messrs. Drayton and Acworth, and it is not a board appointed to inquire into and determine the things which Messrs. Drayton and Acworth decided a board should be appointed to inquire into. In those particulars it is altogether at variance with the Drayton-Acworth report, and to say that the Government will appoint this board of arbitrators or the Government will appoint one arbitrator and the Canadian Northern railway will appoint another, and these two will appoint a third, and if they are not unanimous there shall be an appeal, does not mean very much. I will venture to say they will be unanimous, and there will be no appeal, and for this very reason—and if I hurt any one's feelings I cannot help it. I will state my belief. Owing to the influences which will be at work behind the appointment of this arbitrator—we have a member of this Government who has been very closely identified with Mackenzie and Mann from the inception of their organization, and who has been, it is alleged, and I believe alleged properly, one at any rate of the dominating factors in this Government. I refer to the hon. Minister of Public Works. Those gentlemen started their career in railway building and in politics at practica'ly the same time—seventeen years ago; and what was the first business connection they ever had?

Mr. MEIGHEN: When did the hon. gentleman start his political career?

Mr. GERMAN: Twenty-six years ago.

Mr. MEIGHEN: You were a little ahead of the Minister of Public Works.

Mr. GERMAN: Twenty-six years ago I was first elected for the county of Welland, and I can tell my hon. friend that at every election since I have been re-elected with increased majorities.

Mr. MEIGHEN: I understood my hon. friend was out for seven years, so that would leave them about the same time.

Mr. GERMAN: My hon. friend is entirely mistaken. I was not out for one year. For twenty-six years I have represented the county of Welland in the Dominion Parliament and in the local legislature, and I have been elected every time with increased majorities. My hon. friend may take any consolation he likes from the knowledge of what has happened in the county of Welland. Seventeen years ago those gentlemen began their careers together. I mention this because when men are for years closely connected in business operations, and closely connected in their personal arrangements, to my mind it goes without saying that those men would naturally have a strong inclination to help one another. What happened in Manitoba at that time? In December, 1899, the Government of Mr. Greenway was defeated by the Conservative party under Hugh John Macdonald, on the policy of Government ownership of railways. That was the policy which defeated the Greenway Government. Mr. Hugh John Macdonald formed a government in January, 1900, and remained as Prime Minister until October, when he was pushed aside and Mr. Roblin assumed the office of Prime Minister, with Robert Rogers as Minister of Public Works. What was the first act in the political career of those two gentlemen in regard to the Mackenzie and Mann outfit? At that time there was a line of railway in Manitoba known as the Northern Pacific railway. Messrs. Roblin and Rogers, ostensibly acting in the interests of public ownership, with a view to purchasing the Northern Pacific railway for the Government, in compliance with the policy of the party which put them in power, went to St. Paul and purchased that portion of the Northern Pacific in the province of Manitoba. Before they got back to Winnipeg they handed it over to Mackenzie and Mann. That was the beginning of operations between Mackenzie and Mann and Roblin and Rogers, and the pathways of those gentlemen have lain side by side from that day to this. Those pathways have been marked by milestones which in a great many cases are objectionable. That is only one out of perhaps scores of instances. There was also the increasing of the guarantees on the subsidies.

Mr. Greenway had granted to the Manitoba Railway and Canal company a subsidy of $8,000 a mile, and had taken security on all the terminals and rolling stock of that company. When these gentlemen came into power, they immediately increased the subsidy to $10,000 a mile and abandoned their security on the rolling stock and terminals. From that time until the present these men have been closely allied in all their enterprises, and I say that a man who has occupied that position

in close connection with Mackenzie and Mann during all these years is not a man who should appoint an arbitrator to decide so great a public question as this question of taking over that stock at a valuation, when it means so much to the people of this country, when $30,000,000 or $40,000,000 may be very easily given to Mackenzie and Mann for something that is not worth the report which they issue every year. I say that is one reason why I object absolutely to this Government having the right to appoint an arbitrator. I say that I believe that influence will be detrimental to the appointment of an arbitrator, as a man so appointed would naturally be in sympathy with Mackenzie and Mann. The Minister of Finance (Sir Thomas White) is in close touch with gentlemen who will be beneficiaries of this money. The hon. minister sits here. He will not deny that the men who are the creditors of this Canadian Northern system and will benefit by any money, and very largely benefit by any money, which will be paid for this stock, are the most intimate personal friends of his own. I will say very frankly, what every person believes, that the influence of these men was very large in putting the Minister of Finance in the position in which he is at present. Now I say that with influences such as that, whether there would be anything wrong or whether there would not be anything wrong, with influences such as that behind two of the leading members of this Government, the people of this country will not be satisfied with the award of an arbitrator appointed by these gentlemen.

That being so, I say that the proper course for the Government to pursue, the only proper course for the Government to pursue if they intend to refer the question of the value of this stock to arbitration at all, is to refer it to a man who stands higher than any other man in Canada as a man capable of deciding a question of this very kind, and that is Sir Walter Cassels, a man of the greatest uprightness, a man whose character is absolutely above reproach, a gentleman who had, while practising his profession, as wide or wider experience in matters of this kind than any other lawyer in Canada, in connection with Canadian Pacific and Grand Trunk Railway problems, pertaining to this very Canadian Northern railway. No man could be better fitted to give a decision as the value of this stock, if it is to be referred to any one for the purpose of fixing a value, than the senior judge of the Exchequer Court; and I say that a decision by Sir Walter Cassels would be a decision which would meet with the absolute approval of the people of Canada, no matter what it might be. There would be no feeling that there had been any influence whatever to induce him to give a decision other than what he believed to be the true, righteous interpretation of the reference; and I say to the Government that it is their duty, at this time and before this Bill goes through, to cut out this question of appointing arbitrators and to refer this matter to the senior judge of the Exchequer Court. If they do not do that, what will be the effect? The people of this country will believe, and I say it with all seriousness, that there is some ulterior reason why the Government refused to refer this matter to the judge of the Exchequer Court and why they refer it to arbitrators one of whom is to be appointed by Mackenzie and Mann, the others by this Government. I say there will be a feeling that there is this ulterior object in view, some reason other than a desire to get at the real merits of the case.

Then I say that the reference should not be a reference of the value of the stock at all. The stock has no value, as every one admits. What should be referred is just what Messrs. Drayton and Acworth say should be referred: what are Mackenzie and Mann to be entitled to in the proportion of this stock, and what would be the fair cash value, settling it once for all, to pay them out of the prospective revenues of this company?

There is this further in connection with the matter. Messrs. Drayton and Acworth say in their report that Messrs. Mackenzie and Mann have never received any compensation for their services, and for that reason they should receive some honorarium now from the Government. Now, have they not? Here is something that impresses itself on my mind very strongly: We have in evidence taken by this Royal Commission the evidence of Mr. Mitchell, a clerk in the offices of the Canadian Northern, and of Mr. Hanna. These gentlemen assert that Mackenzie and Mann have received no compensation. Well, it has always appeared to me most singular that neither Sir William Mackenzie nor Sir Donald Mann, so far as I have been able to ascertain, has ever said himself that he never received anything out of this company. So far as I have been able to ascertain neither one of these gentlemen has ever verbally or over his own signature,

much less under the sanctity of an oath, pledged his word that he has received no compensation. And is it not most astonishing that these two men, who were the contractors, the contracting firm, building this whole transcontinental line of railway practically from the Atlantic to the Pacific for the last 17 years, the sole contractors—subletting their contracts to subcontractors, but the sole contractors so far as the company is concerned—have built this whole line, and have never made anything out of it? It would be a most astonishing thing, to my mind, and I cannot understand it; and what is more, I cannot believe it until these gentlemen have pledged their word, at any rate, that they have received no compensation. What about the model city at Montreal? My hon. friend from Bonaventure (Mr. Marcil) asked a question as to whether the model city was included in this, if it is owned by Mackenzie and Mann or a company in which they are the chief shareholders. That concern was built by reason of the terminals of the Canadian Northern in Montreal. Is it to be supposed that they, owning that property, are not making enormous sums of money out of it? And they could only own it, and as a company come into existence, by reason of the Canadian Northern. When any man stands up and tells me that Mackenzie and Mann have never made any compensation for themselves out of the construction of this railway, from the beginning up to the present time, I cannot believe, and certainly will not believe it unless they pledge their oath to it. Then I say that these two men should make a statement, because it is on that ground that Drayton and Acworth report that Mackenzie and Mann should be paid something by reason of the fact that they believed Hanna apparently of course, and so do I, and Mr. Mitchell. They say that these men said that Mackenzie and Mann have received nothing out of it and consequently should receive an honorarium, not in cash, so far as this matter is concerned, but so much of the capital stock and then ascertain, by reason of the possibilities of future dividends what that capital stock is worth.

I say that the only proper method for the Government to adopt, if they carry on the scheme as they have outlined it and take over the stock, is to refer to the senior judge of the Exchequer Court the question as to what Mackenzie and Mann would be fairly entitled to, in view of all the circumstances, as compensation for the services they have rendered to the country.

Mr. DAVIDSON: Is it not true that Judge Cassels was formerly a member of the firm of Blake, Lash and Cassels, Toronto?

Mr. GERMAN: He was.

Mr. DAVIDSON: And Mr. Lash, of that firm, is the chief counsel and one of the principal stockholders in the company?

Mr. GERMAN: Sir Walter Cassels was one of the prominent members of the firm of Blake, Lash and Cassels; and Mr. Z. A. Lash, of that firm, is prominently connected with the Canadian Northern Railway company. But, notwithstanding that, I have no hesitation in saying that the people of this country would have absolute and implicit confidence in any decision that Judge Cassels would arrive at in regard to this matter. Every man in this House who knows Judge Cassels would have implicit confidence in his decision. The Prime Minister, the Minister of Finance, and the Minister of Railways would have absolute confidence in his decision. Why does the Government not appoint him? There must be some reason other than a desire to arrive at a fair and just compensation for Mackenzie and Mann, and to render a decision which would be fair in the interests of Canada.

The Government proposes, when this road is taken over, that "so soon as five-sixths of said shares has been transferred as aforesaid, the Governor in Council may assist the Canadian Northern Railway company," and so on. Now, evidently that company is to be carried on under the same name, and I gathered from the statement of the Finance Minister the other day that it was to be carried on by the people who are at present operating it. The Minister of Finance stated that Sir William Mackenzie would be willing to give his services for the good of the country, although not necessarily for nothing, and that Mr. Hanna and the other officials of that company would be quite willing to continue in office. I know that Mr. Hanna is a very excellent man, and I doubt if the Government could get a better. But, so far as I am concerned individually, I think the Government should not only take over this line of railway, but they should have a policy to bring the Canadian Northern, Intercolonial, National Transcontinental, and Hudson Bay railways all under one management, a board of eminently capable business men, who would be absolutely free and independent of politics, and who would represent the people of this country to as great an extent as possible. That is the only

sort of management with which the people of Canada will be satisfied. Those railways are not Government roads, they are the people's roads, and the people will have, if not immediately, at any rate in the very near future, a greater control of the railways than they have at present. If the people cannot vote directly for directors, my opinion is that this Parliament should elect the directors. You could have a board representing all sections of Canada —say, two from the Maritime Provinces, and two from each of the other provinces, with a general manager, bringing the number up to fifteen. These men would be elected each year by joint ballot of the Senate and House of Commons. In such a board representatives of the whole of Canada from the Atlantic to the Pacific, and non-political—because in the selection of men of that kind in that way politics would not enter at all—you would get the best men that could possibly be got. They would carry out the people's wishes in regard to the management of the people's railroads. In my opinion that scheme is advisable and should be adopted. So far as arbitration is concerned, I say with emphasis, and without any doubt at all as to the wisdom of the procedure, that any question of valuation or compensation to Mackenzie and Mann should be decided by the senior judge of the Exchequer Court of Canada.

Mr. MEIGHEN: I do not purpose to traverse the speech made by the hon. gentleman from Welland. Nothing new would be brought out in doing so. He has now announced his adherence to what he calls a scheme of solution. In the various discussions that have taken place in the House, he has announced his adherence to admost every imaginable scheme. He started at one end and has gone down the list, and supported each in turn. Now he is simply reverting, turning to the first again, and taking an adverse stand on each of the various schemes he has heretofore supported. However, there is no use following that matter. I only rose to refer to something new in his address. He drew a very interesting analogy between the career of the Minister of Public Works (Mr. Rogers) and Mackenzie & Mann, Limited, and argued that because the one commenced his career in politics contemporaneously with the career of the other in railroading, there was some link or chain of interest binding them from the beginning. I interrupted him to ask when he began his career, and he said twenty-six years ago, and that continuously since that he had been a member either of the legislature of Ontario or the House of Commons of Canada, without interruption.

Mr. GERMAN: I withdraw that. I was out one year.

Mr. MEIGHEN: He withdraws the statement now. We will see what he will do later on. Let me remind him that if the coincidence of contemporaneous periods of careers is an argument showing connection, then he is much nearer Mackenzie and Mann than the Minister of Public Works. It is sixteen or seventeen years since the Minister of Public Works entered public life. It is twenty-six years since the hon. gentleman from Welland commenced his public career, and Mackenzie and Mann entered public life just at that time. The analogy is more favourable to him, as an associate of Mackenzie and Mann. But he has not been in public life continuously since 1891, if he gave correct information to the compiler of the Parliamentary Guide. He entered the House of Commons in 1891 as member for the county of Welland at the general election, but was unseated. He was elected then to the Ontario Legislature at the general election of 1894, three years afterwards. Is that right or wrong? Will the hon. gentleman speak up, so that it will be recorded on Hansard?

Mr. GERMAN: I was in the House of Commons for two years, 1891 and 1892, and in the winter of 1893-1894 I was elected to the Ontario Legislature—

Mr. MEIGHEN: In 1893 or 1894? I do not know about these matters myself; I am asking for information.

Mr. MARCIL: I would ask the Solicitor General, has the session not lasted long enough, without going into matters of this kind?

Mr. MEIGHEN: The Parliamentary Guide shows he was out three years. This is either right or wrong. The hon. gentleman told us he was sitting continuously in one House or the other.

Mr. GERMAN: I said with the exception of one year. I sat in this House in the long session of 1891. I was in this House in 1892, and in that year the Supreme Court decided against me in the appeal from the decision of the election trial, when I was unseated. My unseating and disqualification were confirmed, and in the following year I contested the seat against Mr. McCleary for the local legislature, and defeated him, he being the sitting member

for Welland. I have defeated every Tory that has appeared on the scene since then, and I intend to continue to do so.

Mr. MEIGHEN: The hon. gentleman will know better than I do. He may correct the statements in the Guide.

Some hon. MEMBERS: Talk railroad.

Mr. MEIGHEN: All right.

Mr. McKENZIE: Perhaps the hon. gentleman had better read Judge Galt's report in the case in Winnipeg.

Mr. MEIGHEN: I stated that the hon. gentleman (Mr. German) was reverting now, and taking the negative side of every scheme on which he took the positive side before.

I have no doubt that so long as the question of the Canadian Northern continues to be before Parliament he will pass over all the various schemes until he has completed the record of taking both sides of every one. The compass will be gone round again and again; he will support arbitration one day and expropriation the next. Then he will return and argue against arbitration, and the next day he will argue against expropriation. If arbitration is a wrong method to-day and expropriation is a right method before the Exchequer Court, why was expropriation a wrong method in 1914 and arbitration a right method? Why was it that Sir Walter Cassels was not eulogized as the proper man in 1914? Why did the hon. gentleman advocate arbitration? Why can we not take him at his word? Why can we not take his advice and depend upon its standing, having the assurance that when we adopt it he will not immediately repudiate it? In 1914 he did not argue in favour of expropriation. He did not say that this was a subject that could, under the Expropriation Act, properly or fittingly go before the Court of Exchequer.

Mr. GERMAN: I told my hon. friend in 1914 that it was the duty of the Government to take over the whole $100,000,000 of stock. If that had been done you would not be having this trouble now.

Mr. MEIGHEN: I will read what my hon. friend's leader said on that occasion, and I will read the resolution which my hon. friend himself voted for. The right hon. leader of the Opposition (Sir Wilfrid Laurier) said:

> I said a moment ago that my intention was simply to summarize the views and the policy which we have laid before the people on this question, and I summarize them in a few words. We must carry on this enterprise; we cannot allow it to go by default; we cannot allow anybody or anything to come in which would imply anything detrimental to our credit in England; this enterprise has to be carried out; but, instead of carrying it out in the way proposed, we propose that we should carry it out by other means—that we should take absolute control of the enterprise; and for that purpose, I beg to move, seconded by my hon. friend from St. John (Mr. Pugsley):
>
> That the said Bill be not now read a third time, but that it be resolved that under existing circumstances no assistance should be given to the Canadian Northern Railway Company unless at the same time it is provided that the Government have power, within a reasonable time to acquire the ownership of the entire stock of the company at a price to be fixed by arbitration, but not to exceed thirty million dollars.

The reason why the hon. gentleman now objects to arbitration is that it suggests a value—though no specific value is even suggested.

Mr. GERMAN: Does the hon. gentleman pretend that there is no difference between the conditions then and the conditions now?

Mr. MEIGHEN: But there is no difference between Mr. Justice Cassels then and Mr. Justice Cassels now. There is no difference between the principle of arbitration then and the principle of arbitration now.

Mr. GERMAN: No one suggested what board of arbitration the matter should be referred to. The resolution simply said that the price should be fixed by arbitration.

Mr. MEIGHEN: Then, that is not arbitration; it is expropriation?

Mr. GERMAN: Not at all. It is not expropriation; you would be referring the matter to the judge of the Exchequer Court as arbitrator.

Mr. MEIGHEN: Does the hon. gentleman want this matter referred to the judge of the Exchequer Court as arbitrator?

Mr. GERMAN: I am not saying that at all.

Mr. MEIGHEN: I think my hon. friend had better look over some of the old schemes rather than try to think of new ones. It was suggested in 1914 that we should take, not the rails, not the right of way, not the physical property of the company, but the stock; and that we should fix a maximum price of $30,000,000. Would that not suggest that there may have been a value of at least $30,000,000 in the stock? The resolution now before the committee does not suggest a dollar of value. If the arbitration board find that there is no value in the stock, we have no value to pay for the

stock. The hon. gentleman cannot trust the Government of Canada to appoint an arbitrator, because he thinks we will help Mackenzie and Mann. Did we help Mackenzie and Mann when we appointed the commission whose report my hon. friend lauded this afternoon? Did we confer with them and appoint men that we knew would bring in a report to their advantage when we appointed Sir Henry Drayton, Mr. Acworth and Mr. Smith? The hon. gentleman says that these are the best men we could have selected. Why should we select good men as commissioners and poor men as arbitrators. I have no doubt at all that if in this resolution we had proposed that the matter be left to the Exchequer Court, the hon. gentleman would have said: Why did you not do what I told you in 1914 and what the hon. member for St. John (Mr. Pugsley) himself reaffirmed in 1916? The hon. member for St. John last year referred back to this resolution and said: That was the step to take then as well as the step to take to-day. How is it that my hon. friend's view changes so quickly when we take that step? What would suit the member for Welland? (Mr. German) Immediately we follow his advice, he says that is the worst advice we could follow. He asks the Government to assume that when he advises the Government he does not mean what he says; indeed, does not know what he is talking about.

Mr. CARVELL: I have listened this afternoon with a good deal of interest to the remarks of the member for Welland (Mr. German), as I always do, and also to what the Solicitor General (Mr. Meighen) has said. Really I do not know what the Solicitor General is driving at.

Mr. MEIGHEN: The member for Welland.

Mr. CARVELL: Then my hon. friend's aim was very poor. He failed both to reach his mark and to make it clear what he was aiming at. Every man in the committee is entitled to have views of his own, and he ought not to be kicked around too badly if he expresses them. Anyway, I am going to take the responsibility of giving some of my views on this question. First, I may say that I cannot agree with the Government; neither can I agree with the member for Welland. I do not believe that any member of Parliament ought to be asked to vote for a proposal which he thinks is unsound, simply because the juggernaut is going and public opinion is such that it ought not to be withstood. My opinion has always been that if a man has opinions of his own, he had better assert them and try afterwards to convince the public that he is right. If he is not right, then he can let the public do what they have a mind to do about it. That may be a very independent attitude, but I have always taken that view.

I do not believe in public ownership of any kind. I do object to the Government going as far as they are going in respect to the proposed ownership of the Canadian Northern railway system. The Minister of Finance stated that it was the intention to appoint a commission that should be subject to Parliament, not to the Government. Well, if the Government can do that, it is a wonderful step in the right direction. But no man who has lived in the Maritime Provinces all his life as I have done can honestly say that he is in favour of the public ownership of railways. I know that in Ontario there is a fetish in respect of public ownership; men are worshipping the public ownership of everything. But it will not be many years before they come back to sound business principles. We had an illustration of that in the House the other evening. In Ontario they have had public ownership of utilities in the way of electrical energy—the greatest administration of electrical energy which the world has known. There is no doubt that the Hydro-Electric Commission of Ontario has done wonderful work. But they are commencing to get up against the wall. The Minister of Railways (Mr. Cochrane) was compelled to call upon his supporters to vote for an amendment to the general Railway Act of Canada absolutely to put out of existence a competitor to the Hydro-Electric because it stood in the way of this juggernaut. You would not find a better illustration in the records of Canada, from Confederation down to the present time, of the failure of public ownership.

Mr. COCHRANE: That is hardly a fair statement. The reason why the Conservatives voted as they did on that point was stated in the committee when that company was getting its rights from this Government. It was that the rights of the municipality in certain streets should be protected. Sir Edmund Osler asked to have this amendment put in, and he was told by the minister and by the lawyer who was putting the matter through, that it was put in.

Mr. CARVELL: I am not going to go into the details of that. I simply bring it up as an illustration to show that when public ownership starts out to usurp the proper functions of business men, those who have charge always come to the end of their tether; they always come to the time when they cannot carry on things as a business proposition, and then they have to resort to power of some kind in order to work out their scheme, exactly as the Hydro-Electric did in the case in question.

There was another point made by my hon. friend which struck me very strongly and that was that, in his judgment, there ought not to be arbitration under present conditions. He illustrated the fact that the Minister of Public Works (Mr. Rogers) commenced his public career about the same time as the Canadian Northern Railway company began their career in Manitoba as railway builders. He naturally would argue from that, that the people of Manitoba should have gone on with public ownership and not have public utilities handed over to the Canadian Northern or Mackenzie, Mann and Company. He referred to the devious ways of Mackenzie, Mann and Company and the Minister of Public Works during some years that followed in Manitoba politics, and I think he naturally would have drawn the conclusion that all the troubles were because in Manitoba they had not adhered to the principle of public ownership in railways. The path trod by these firms in Manitoba was a "Great White Way" in comparison with the path trod by an hon. gentleman in Manitoba over the question of public telephones. If in the political history of Canada there is a paragraph or chapter that absolutely condemns public ownership of any public utility in this country, it is the story of the administration of the telephone system in Manitoba during the last seven or eight years. From the very inception of the purchase of the Bell Telephone system in Manitoba down to about three years ago, the path has been one which I would not want to follow, which I do not believe any hon. gentleman in this House would want to follow, and which, in so far as any one instance will condemn a system, must condemn public ownership of public utilities in Canada. If the minister could operate the Canadian Northern Railway system entirely free from political interference, he might get along fairly well, but certainly not as well as private enterprise would get along. He cannot, however, do that; he cannot run a railway in Canada of the magnitude of the Canadian Northern and keep political influence out of it. We have had an experience of that in the Maritime Provinces. I believe the present Minister of Railways started out to run the Intercolonial for a year or two fairly divorced from politics, but two years had not passed before you could not hire a man to shovel gravel for two days at a time unless he went to the man who controlled the patronage in the constituency, and that has been the case ever since. It is idle to speak about hiring a man on the Intercolonial who is not recommended by the man who controls the patronage, and the minister knows that. The minister knows it would be as impossible for him to hire twenty-five men who were not recommended by the man who controls the patronage in their constituency as it would be for him to fly.

Mr. COCHRANE: The trouble nowadays is to get men, no matter who recommends them.

Mr. CARVELL: The minister knows he has to have the recommendation of the patronage committee.

Mr. COCHRANE: That is not true.

Mr. CARVELL: My hon. friend knows it is true.

Mr. COCHRANE: It is not true.

Mr. CARVELL: I tell the minister it is true. The minister may think it is not true; he may think he is not administering the railway in that fashion, but if he asks his general manager what he can do in the face of the patronage committees, he will find that the general manager is absolutely powerless. I do not believe the minister can run the Canadian Northern, which is about ten times the magnitude of the Intercolonial, as a Government road and keep patronage out of it.

Mr. MARCIL: The Government do not intend to do so.

Mr. CARVELL: I do not think they do, because I find in the last clause of the resolution these words:

> That the necessary qualification shares for directors may be transferred to or allowed to remain in their names by the Minister of Finance on such conditions as he may determine.

That simply means that the Minister of Finance or the Government appoint the directors under such conditions as they may determine. They put enough stock in a director's hands to qualify him, but he is

simply a creature of the Government; he sits on the board as a member of the political machine, and the road will be run as the greatest political machine Canada has ever known. Think of the Minister of Railways running hotels, telegraphs, telephones, townsites, express—

Mr. GRAHAM: Steamboats.

Mr. CARVELL: —and all those things under a great government system. I know I shall certainly not get much credit in certain portions of Ontario for these statements of mine, but they are my views and I want to put them on Hansard. I am satisfied it will not be many years before the people of Canada come to my way of thinking. All they have to do is to have a few years of public ownership or public operation of this great railway system, which will inevitably involve the Grand Trunk Pacific, and they will all accept my view as correct, namely, that the sooner they get rid of this thing, the better.

I realize that it will not do to allow the Canadian Northern securities to go into default. If these were ordinary conditions, if the Government of this country were not straining every nerve to borrow money which must be borrowed regardless of what goes down, then one might say: Well, if this has been an improvident transaction —and I am afraid in many case it has been improvident—let the concern go into the hands of the receivers; if people have put money into an enterprise which is not profitable, that is their misfortune, and the Government cannot stand by every person who makes an investment in a Canadian security. But these are not normal times, and if you allow railway securities of the magnitude of these, running into the hundreds of millions of dollars, to default, you will create a financial panic that this country cannot afford to have created. Therefore, somebody must come to the rescue of the Canadian Northern Railway company, and the only body in Canada I know of having that power is the Government. So the Government is justified in taking whatever steps may be necessary to ensure that there is no default on the interest on bonds or other interest bearing securities. The Minister of Finance says that he understands it will take somewhere around $20,000,000 to meet the pressing liabilities at the present time. I cannot understand why the Government does not ask Parliament to grant them $20,000,000, or whatever the amount may be, and let the Government see to it that this money is not handed over to the Canadian Northern, but that the Government pays the money out after they have received undoubted evidence that the amounts are proper, real liabilities of the company, and liabilities which must be met, and see that they have proper evidences and proper receipts. I cannot understand why they want to go further than that. In that case, the Government ought to take over a large part of the remaining stock in order to secure the advances they have made.

My hon. friend speaks about inconsistency on this side of the House. He referred to the resolution moved by the leader of the Opposition in 1914, in which my right hon. friend laid down the principle that we should take over the whole of the stock, but that it should not exceed $30,000,000.

We have paid since then $45,000,000, and $15,000,000, and now we are going to vote $20,000,000; that is $80,000,000 altogether. If there is any inconsistency I do not think it lies in the mouth of the Solicitor General to charge us on this side of the House with it. He was the gentleman who piloted the Bill through the House in 1914, and while I have not his words here, he said in substance that this $45,000,000 would get the Canadian Northern out of the woods financially, put them on their feet, and enable them to complete the enterprise. My recollection is that there was something like $58,000,000 of available assets on hand at the time; it is three years ago, but I remember the figures pretty well. It turns out now that the $45,000,000 did not complete the enterprise. Then we advanced them $15,000,000 more, but that did not complete the enterprise. And I do not think that $20,000,000 more will complete it. I contend that the Government should take over a large portion of the stock as security for the money we are compelled to loan them in order to tide them over.

Mr. MIDDLEBRO: Would not that make us practically owners of the road, which is what my hon. friend objects to?

Mr. CARVELL: We are that now. The moment we took over 40 per cent of the stock of the Canadian Northern in 1914, we became, not legally, but as a matter of practical business, the owners of the road and became bound to see the thing through no matter what happened.

Sir THOMAS WHITE: My hon. friend is making a very fair argument, and I do not like to interrupt him. As I understand it, he has suggested that we should make an advance of $20,000,000 and that we take a certain amount of stock as secur-

ity. What would my hon. friend do this time next year, when the same question would arise again, and $20,000,000 more be needed to pay the interest on the underlying securities?

Mr. CARVELL: I do not know. I should be in the same position as my hon. friend was in two years ago.

Sir THOMAS WHITE: I think we had better deal with it now.

Mr. CARVELL: We hope the war will be over this time next year. That is a wish that I am sure every hon. member of this House and every one in this country sincerely joins in, and when the war is over, things will be clear that are now dark. We can then grapple with the whole railway situation, ascertaining exactly what our financial liabilities and the prospects for the future are. But, as it is, we are here embarking the country on a scheme involving an expenditure of $140,000,000 or $150,000,000, and under a management which cannot possibly be economical or business-like from any standpoint. I was reading this afternoon the minority report of Mr. Smith, and was very much impressed with two statements that I read. They so thoroughly coincided with my own views that I feel like placing them on Hansard. The first is found on page 102:

> Compared with the total outlay involved in producing railroads by the Government for itself, as, for instance, the case of the Intercolonial or the Transcontinental, from three to six times that amount have been used to realize equal results. This shows distinctly the value of enlisting and retaining private enterprise.

If this statement be true, that the governments of this country from Confederation down to the present time have spent in building Government roads six times as much as the Canadian Northern has spent—and he was dealing directly with that company—it is an amazing statement. It so attracted my attention that I read it two or three times. I do not mean to say that the Canadian Northern lines are in as good a state physically as the Government lines. Mr. Smith, after discussing what government ownership would mean, the extra cost of construction, operation and management—and he certainly puts up a pretty strong argument against government ownership—concludes with these words:

> Upon these fundamental truths, I base my firm conviction that the brightest outlook for the future of your great Dominion can be assured through the extension of private railroad enterprises. The hope of honour and the reward of public approval must be open to human kind to get the best results from human endeavour.

I tell you, Mr. Chairman, that if you take away from the Canadian Northern enterprise the hope of honour and reward, the ambition of the human being, you will absolutely divest it of everything that has made it the great enterprise it is to-day, and there is no disguising the fact that it is a great enterprise. I do not know whether money has been taken out of the road or not. I am something like my hon. friend from Welland in that respect—I do not believe that they have handled $400,000,000 without using a little on the side for their own purposes, although I have no evidence to that effect. I should like, however, to see a statement in writing, not to say an affidavit, that such is not the case. There is no use shutting our eyes to the fact that Mackenzie and Mann have worked up a wonderful railway organization in Canada. Their financing has been a marvel; I do not know how they have done it. They have built up an organization of very bright men.

Mr. LEMIEUX: They have got money from the Government.

Mr. CARVELL: The Government might hand over $400,000,000 to my hon. friend or myself, but I do not think either of us would get the same results with it that Mackenzie and Mann have. I give them credit for that. I think they are wizards of finance. I do not think the public have given them sufficient credit for the manner in which they have handled that end of the business. Then there is a wonderful personal element running through their whole system. I know a number of their men, and perhaps I may be pardoned for mentioning two who, outside the principals, I regard as the greatest among them—Mr. Hanna and Mr. Moore. These gentlemen have impressed their personality—and many others besides them—on the whole organization from top to bottom. The Government may take over this system and say, "We are going to keep Mackenzie and Mann and some of their organization," but they will not be able to do it. Once the present officials realize that political power is interfering with their management, it will not be six months before they, if not Mackenzie and Mann themselves, will say, "I won't have a member of Parliament dismissing or appointing a man through his political influence." It would not be six months before the whole present organization would be disbanded and gone. I do not see any necessity for doing away with the men who

are absolutely necessary to keep this enterprise going. I do not see any necessity for the Government taking over control of the road. I believe the present organization can run the road better than the Government. I believe that sufficient money should be put up to pay off the company's indebtedness, and as much of the stock should be taken over as is available, for extra security—not that I think the stock is worth anything. I believe that five-sixths of the stock would be available. With five-sixths of the stock in their hands there would be no question as to the Government having control over the road, and if Mackenzie and Mann were not handling things properly, the Government would have it in their power to interfere at any time. That, of course, involves the next question, whether or not the Government should go on and buy out whatever the equity of Mackenzie and Mann may be.

At six o'clock the committee took recess.

After Recess.

The committee resumed at eight o'clock.

Mr. CARVELL: When the committee adjourned at six o'clock I was giving some reasons why I was opposed to public ownership of railways in particular, and of public utilities in general. I was pointing out that in my opinion the Government should put up whatever money was absolutely necessary to tide over the Canadian Northern for a year, and see what the future would have in store for us. I was pointing out, also, that in my judgment the personal element in the present Canadian Northern organization means a great deal. I still believe they can manage the affairs of the railway, both from the operating standpoint and from the financial standpoint, very much better than the Government of Canada could. I find, in looking over the statement laid upon the Table, as to the liabilities that are maturing within the next year, that $3,000,000 of equipment notes are maturing; about $10,000,000 of different bonds are maturing in London, and there are other large amounts of bonds payable on demand outstanding in Canada. There are also $10,000,000 of demand securities for liabilities in London. Thus $35,000,000 to $40,000,000 of securities or liabilities mature within the next year, or on demand. The moment the Government of Canada takes over the stock of this road and makes it a Government-owned and Government-controlled proposition, depend upon it every dollar of that money will have to be paid. It is very simple. The price of money is going up every day, and a man who has funds invested at four and a half or five per cent, with the Government of Canada behind it, will say: "I want the money," and the Government of Canada will have to raise it, because reinvestment can be made at a much better rate of interest. My contention is that if the Canadian Northern were still running this enterprise they could go to those people and say: "we cannot give you your money; there is no use talking about it, we have not the money, and we cannot get it; we will pay your interest, but you must renew the principal." I believe they could renew it on a basis that would mean millions of dollars over and above what could be done by the Government if it were taken over. If the Government takes the railway over it will have to pay every dollar in full at maturity, and will have to go to the markets of the world and borrow this money. Speaking offhand, I cannot see how we are going to get along on less than $100,000,000 of actual money, which this country must produce next year if we take over the road, to carry out the proposals as set forth in this resolution, while, as I say, I believe the Canadian Northern organization could finance it on one-third of that amount. They do like the rest of us when we get hard up and cannot pay our debts in full. Of course, I know this does not apply to the Minister of Finance, because he has lots of money. When I say "the rest of us" I mean some of my friends around me.

Mr. GERMAN: Bailiff-proof.

Mr. CARVELL: We find, when we are up against the real proposition, we can do wonders in financing, which my hon. friend the Minister of Finance would not have to do, because with him it would be simply a matter of drawing a cheque. The Government would be in exactly the same position as is the Minister of Finance personally. "But," the Government says, "we are not going to do that; we will eliminate the Canadian Northern, except, possibly, we may try to keep some of the organization for operating purposes—subject always to the control of the politicians, and we are going to have an arbitration to decide what, if any, equity remains in this thing for the Canadian Northern." I do not know whether there is an equity in it for the Canadian Northern. If I read correctly either the majority or the minority report of the

original commission, and if I believe the statements contained therein, there is no equity. The report says the actual value of the property to-day is under $400,000,000. It is true, they admit the cost of it would be a little over $400,000,000, but if the depreciation is deducted it is something under $400,000,000. Of course the liabilities are greater than that, and therefore they infer that the stock has no value whatever; there is no equity in it for Mackenzie and Mann. Well, I am not so sure of that. We must realize that the Canadian Northern have worked at this enterprise for seventeen or eighteen years, and we must realize they have built up a great system. It is true they have been—I was going to use the word "buccaneers," but I think that would hardly be fair—they have in any event "pulled" every one, and every organization, and every government in Canada that could be "pulled" for money. They have "pulled" the provinces, they have "pulled" the municipalities, and now they have the Dominion to stand behind them. At the same time, they have built up a great organization. There is no institution in Canada, with the possible exception of the munitions manufacturers, which has advanced to the same extent as this corporation has in the last three years. I find the gross earnings last year were $42,319,686.66; the operating expenses were $30,794,332.08, leaving $11,525,354.58 net earnings. In 1916 the gross earnings were $35,476,275.06; operating expenses, $26,102,744.52; net earnings, $9,373,530.54. In the year 1915 the gross earnings were $25,912,106.30; operating expenses, $19,288,814.42; net earnings, $6,623,291.88. From 1915 to 1917 the increase in the net earnings has been about forty per cent. I do not believe there is an institution in Canada, outside of the munition plants or something of that kind of an extraordinary nature, that can show such a magnificent increase in business. If you have an institution which can increase its net earnings by forty per cent in three years, surely there must be real business possible for that organization in the future. In five years at that rate of progress the Canadian Northern would take care of itself. It would be paying operating expenses and fixed charges. It might have some difficulty in providing as much money as it would like to provide for betterments, but that is a minor matter. Sometimes it is not in the best interests of people to have too much money to spend for betterments. The Canadian Northern could get along with fifty per cent, if not with thirty-three per cent, as much money for betterments and operating the railway as the Government of Canada could. For instance, the company could get along without new ballast, without relays of rails. They could put in a few new ties instead of all new ties. They could keep the salaries down instead of building them up. If the road goes over to the Government, all this goes to the junk heap. I believe the Government will spend three times as much as the Canadian Northern would on betterments in the next two years, and probably will not haul any more freight, or earn any more money. Every time you touch the government ownership of anything, you commence to pay out immediately. If I am right in my contention, from any standpoint you may look at it it is better to leave the road with the Canadian Northern rather than take it out of their hands.

I am coming around to the point that, in my judgment, there may be some equity in this thing—I do not know how much it may be. As I said, if you take the Drayton-Acworth report, or the Smith report, there is no equity, because the road has not cost as much as the liabilities amount to; but after all you have a great institution which is increasing its net earnings more rapidly than any other institution in Canada. Is it fair to say to people who have built up an organization like that: "It is true you have an organization which is increasing by leaps and bounds its earning capacity, but we will take it away from you and give you only the actual net cost of the road?" I do not think it is. If that is so, is it reasonable that the people of Canada, in this time of stress, when we need all the money we can lay our hands on, when the great problem of the Finance Minister and of the Government is to get the money which we must get in order to carry on the war—is it reasonable, with your eyes open, to go into a scheme by which you have to provide millions of dollars to pay debts, ten of millions of dollars to provide betterments, and, besides that, pay other ten of millions of dollars, possibly, to the men who have worked up this great organization, on account of the equity which they may have in the stock? I tell you I do not care how you figure it, if you hand this over to an arbitration they will find that Mackenzie and Mann have something in it, and yet I realize, if you take the figures submitted in the report to which I have referred, or any other figures, they can not show that they have actual physical assets that are worth

more than the liabilities or worth perhaps as much; but they will be able to show an earning capacity which you are taking away from them, and you are taking away that earning capacity just at the time when it becomes a real earning capacity—because up to the last few years it has been problematical, but now it is a real earning capacity—and you are going to say to an arbitration: you will have to take all these matters into consideration. We all know how these things go. I know from my little experience with arbitrations of right of way and other things in connection with railways, all these matters must be taken into consideration; and the result will be that we will pay to Mackenzie and Mann $10,000,000 or $20,000,000 or $30,000,000, which we ought not to pay and which we have no license to pay to them at the present time. But, on the other hand, if they, through their energy and ability, have worked up an organization which has a money-earning capacity, then let them work it out. Why take it away from them? Why pay them money which they have not earned? Rather leave it in their hands and let them work it out, and if there is any money in it let them make it. I think, myself, that if you allowed this road to go on for four or five years more it would be self-sustaining. I realize that next year we will probably have to put up more money, and, perhaps, the year after. But we are in it. I think it was an improvident bargain three years ago. When the proposal to guarantee $45,000,000 was up I was opposed to it, and, while I have not looked up my remarks, I have a very good recollection of the attitude I took. I was opposed to granting the $45,000,000. Then, in addition to that, you have granted them $15,000,000, making $60,000,000, and now you are proposing to put up $100,000,000 next year. I say that is not good financing under present conditions; it is not good business for Canada. The proper business for Canada at this time is to put up just as little money as she can get along with and leave this road in the hands of the men who have made it a fairly successful enterprise up to the present time, taking, of course, all the security which they can give you, taking the stock, enough of it to put it beyond question that you have a majority and have control. In fact, I would take practically all the stock. I would hold it as a trustee and let these people go on and see if they cannot work out their own salvation. It will not become any worse in a year, because if you control the expenditure of money which you put up it will not be wasted, and the property will increase its earning capacity. You will not have to spend the $100,000,000 that we are going to spend next year, and if you have to take the road over a year from now, or two years from now, you will have saved probably $50,000,000 or $75,000,000.

That brings me to the last point I wish to discuss, that is, the method of arriving at the amount of compensation, if compensation is to be paid. I entirely agree with my hon. friend from Welland (Mr. German) in the statement he made this afternoon. I do not believe in handing this over to an arbitration board. I believe the arbitration would go at the matter in a sentimental way, in a manner which a judge of the Exchequer Court would not. If we have to arbitrate or to pay Mackenzie and Mann for their equity, surely the determination of the amount to be paid them should be put in the hands of a man who will apply all the technical rules and knowledge which ought to be applied in arriving at the real value of this enterprise. We have all had experience with arbitrations. I do not believe there is a lawyer in this House who, if he is honest, will not tell you that he has all his lifetime advised clients not to arbitrate. I have laid it down almost as a settled rule in my practice, invariably to advise clients not to arbitrate, because arbitrators, appointed as you appoint them here, will always give and take. One party will build up an unreasonable contention. I will venture to say that Mackenzie and Mann will claim before this board that they are entitled to $100,000,000, and no doubt the Government arbitrator will say: You are entitled to nothing. Then they will go on and argue and argue, and finally divide the difference. That is what happens in most arbitrations, and the result will be that Mackenzie and Mann will get three times what they are entitled to. Whereas if this is given over to the Exchequer Court you will at least have it decided on well-known principles which should govern the assessment of compensation in matters of this kind. So, Sir, for these reasons, I am very much opposed to the proposals contained in this resolution, and I hope the Government, even at this late date, will see their way clear to reconsider the matter and to put up as little money as they can to tide this road over for a year, or possibly two years, in the hope that the war will end—and surely it will end in that time. If, at that time, you had only the Canadian Northern

to deal with, there would not be such a strong argument for delay; but you have still the great railway problem of Canada staring you in the face. If you take over the Canadian Northern, have you settled the railway question? No, we have the Grand Trunk Pacific, we have the National Transcontinental and we have the Intercolonial.

Mr. LEMIEUX: And the branch lines.

Mr. CARVELL: We have the branch lines —branch lines all over Canada. Why, if the government of this country talk about taking over the Canadian Northern because they cannot run, how in the world are they going to avoid taking over branch lines all over the country which cannot run for lack of finances? The Minister of Marine (Mr. Hazen) knows that in his own constituency there is a branch line which practically is being closed down because they cannot get finances to run it. I realize that it is a small enterprise compared with the Canadian Northern, but it is as important to the people in that constituency as the Canadian Northern is to the people in any other part of Canada. How will the Government justify taking over the Canadian Northern and leaving other systems in Canada, small though they may be, that are unable to run because of lack of funds? Every branch line of the Intercolonial—and I refer to the Intercolonial because I presume there are very few branch lines elsewhere that do not belong to the big systems—has just as much right to come to the Finance Minister and say: We cannot go on without financial assistance, and to claim financial assistance, as the Canadian Northern. And my hon. friend is establishing a principle which he cannot get away from. He is establishing a principle which must be followed out in every portion of Canada.

So, Sir, for these reasons, I can only say that I hope the Government will stop to consider and see if they cannot withdraw from the position they have taken; put up just the least possible amount of money in order to keep this enterprise going for a year or two; and then you will have the whole railway situation—or whatever government may be here at the time, because I think it is very doubtful if my hon. friend will be the gentleman who will have to work it out, but somebody will.

Mr. GRAHAM: For this and other reasons.

Mr. CARVELL: The Government will have the whole problem of the railways of Canada to face at that time, and it is much better to face these questions after the war is over, when we know what our liabilities are, how much money we are going to raise, and where we are going to raise it. We will start out with a knowledge of the actual condition of affairs, which is better than starting out now on an expenditure of $100,000,000 to $150,000,000 but I do not believe that the Finance Minister knows where he is going to look around and get the money.

Mr. A. K. MACLEAN: What are the maturities of the Canadian Northern within the next fifteen months that the Government would be obliged to extend, and what, in the judgment of the Finance Minister, is the least amount that should be advanced in the next fifteen months for equipment? I understood the hon. gentleman to say the net earnings could take care of the interest account, providing it is not expended upon equipment, extensions and betterments.

Sir THOMAS WHITE: The financial position of the Canadian Northern is substantially this. Assuming net earnings of $11,000,000, the Canadian Northern have to apply that, as I pointed out the other day, for betterments and improvements, and for instalment payments upon equipment—principal payments on equipment. Having regard to the situation that exists at the present time—the liability incurred for interest, the payment on underlying securities, and the situation so far as concerns the next twelve months we will say—the rough estimate that I made after discussing the matter with the officials was that from $20,000,000 to $25,000,000 would be required. In other words, if we took the course we adopted last year, and made a round vote to the Canadian Northern of the sum required to meet liabilities and payments to be made in respect of interest upon securities in priority to the $45,000,000 mortgage of the Government, for betterments and for instalments upon rolling stock, about $20,000,000 to $25,000,000 would be required. With regard to short-term maturities which fall due over the next couple of years, I hope that the Canadian Northern officials will be able to renew those with the Government, the sole owner of the stock, just as they would expect to renew them if sixty per cent of the stock remained in the hands of private owners. I do not agree with the hon. member from Carleton (Mr. Carvell), and I will tell him why. After all, if money is seeking invest-

ment, it is a question of interest rate to be paid. These short-term loans of the Canadian Northern are pretty well secured. The loans in New York are secured with a substantial margin, upon bonds guaranteed by the Dominion Government and certain of the western provinces. That is very high-class collateral, and I expect the Canadian Northern officials will be able to renew the loans by reason of the fact that the Government is the sole owner of the stock. What I have said is subject to this, that in these war times no man can tell what condition we may be in after one month or two, and it is possible that in one or more instances the Canadian Northern might not be able to extend those loans. If they do not, then I think the Government, as sole owner—for it will be sole owner through its ownership of $100,000,000 of capital stock of the Canadian Northern—should protect its property. Assume we brought down a vote, as suggested by the hon. gentleman from Carleton, for $20,000,000 or $25,000,000, as we did last year, it is quite possible—although I do not apprehend it will take place—that during the year the Canadian Northern might not be able to renew one or more of those loans. Then you would have a difficult situation on your hands again. The real fact of the matter is that the essence of this Canadian Northern situation is that the Dominion Government, and the governments of nearly all the provinces of Canada, are so involved by their guarantees given during the years of the construction of this system that default cannot be allowed, and the Government, after giving the matter its most serious attention, and realizing all that my hon. friend from Carleton has put forward, reached the conclusion that if this system is not to be allowed to go into default, and if, in order to prevent default, the Government of Canada is obliged to put up $15,000,000 to $20,000,000 a year, and become practically sponsor for the financing of the system from year to year, we must take the next step and own that system for the people of Canada. The hon. gentleman from Carleton made a very interesting and very fair speech on this subject, and I asked him, when he suggested that we should take the course we took last year, what about next year? My hon. friend threw his mind ahead a year and considered the parliament of that time. I think there is no doubt whatsoever that, war or no war, the Canadian Northern Railway would have to make application for assistance. I pointed out last year, in the speech in which I introduced the estimates for the Canadian Northern and the Grand Trunk Pacific, that the time had come when we should appoint a commission, with a view to reaching a final solution of this railway problem, the greatest problem in Canada, outside the war, without a doubt.

I stated also at that time that the solution might involve taking over one or more of the railway systems of Canada, and that there might be involved the possibility of the nationalization of all the railways of Canada. I pointed out to the House pretty fully the other day that the last was a very large order indeed, having regard to the fact that we are in the midst of a war and having regard also to the financial problems touched upon by certain gentlemen opposite. But, after giving the matter our best consideration we reached the conclusion that we should take this property for the people of Canada in order that, if we are to pay out huge sums of money year after year, the fruition of that expenditure should inure to the people of Canada, not to the private owners of the road. In other words, if we are to continue to finance this system, it must be owned by the people of Canada.

I do not know that it is necessary that I should refer to the remarks made by the hon. member for Welland (Mr. German); I thought he had a very weak case when he had to resort to personal aspersions. This railway problem has been the most difficult problem with which any Government of Canada has been called upon to deal, outside of the war. Every year it presents itself, and it would continue to present itself. This year, after considering the whole situation and having regard to all the financial questions involved, we reached the conclusion that we should take this forward step, which is a step in the line indicated by the Drayton-Acworth report. To take over the whole of the railway systems would, I believe, be too serious a step for a Government to contemplate, having regard to the burden of the war. But by taking over the Canadian Northern and by lending assistance to the Grand Trunk Pacific—I pointed out that we could not deal with the Grand Trunk Pacific at this time as we are dealing with the Canadian Northern because most important negotiations would be involved with the Grand Trunk Railway company—it seemed to us that the proposals which I addressed to the House were the best under all the circumstances, and I believe they are. I do not believe there

is any other solution of this Canadian Northern railway problem that will meet the approval and support of public opinion in this country. I think that the Government have taken a proper step, and that looking to the future, we can see the working out of the recommendations of the majority report. No one can say at this stage how this railway, the Intercolonial, the National Transcontinental, and the Grand Trunk Pacific, if we should acquire it later, will be administered. It might be proper to administer them all by a board of experts constituted somewhat as suggested in the Drayton-Acworth report. I absolutely subscribe to the principle that if this system is to be efficiently administered it must be administered absolutely free from partisan interference.

Mr. CARVELL: I am glad to get that admission.

Sir THOMAS WHITE: It is not an admission; that has been my principle throughout with regard to all these matters.

Mr. CARVELL: Does the minister feel that it is possible to get the same results from mere officials that you can get from men who are vitally interested, as the owners and managers of a railroad are?

Sir THOMAS WHITE: A good deal of weight is to be attached to the opinions put forward by my hon. friend; but the trend of public opinion is unmistakably along the line of these proposals. Nor is it a recent trend; it has gradually developed over a course of years. The whole tendency of public administration has been towards enlarging, not restricting, the functions of Government. I think we must look forward to that; I think we must have sufficient confidence in ourselves to believe that we can administer these enterprises; that we shall obtain officials who will manage them as efficiently as private enterprise will manage them. But even if we do not succeed in managing them quite as efficiently as private enterprise would manage them, still the advantages that will accrue to the public from public operation will more than counterbalance any defects in administration. This problem, as I say, has been here for years past—the problem of aiding these railways from time to time so that the systems may be completed and so that they may render service to the people. We believe that the time has come when we must discontinue affording this annual aid and lay down the principle that if the Government is to do the financing the people must have the benefit of the ownership of the system. I listened with much interest—I always do—to what the member for Carleton said, but I believe that this is the step called for by all the circumstances existing to-day, and the step that the people of this country demand, if these roads are to be maintained, as I think they should be, as solvent going concerns.

Mr. CARVELL: I do not intend to go over all the ground again; I shall refer briefly to the chief arguments advanced by the minister. He says that we have to put up money every year; I agree with that.

Sir THOMAS WHITE: My hon. friend said, over a period of five years; that is possibly correct.

Mr. CARVELL: I was arguing that, while you might get along with $15,000,000 or $20,000,000 a year, if you advanced money annually to the Canadian Northern railway system, the moment the Government attempted to operate the road they would put out $50,000,000 a year instead of $15,000,000. The Intercolonial is a Government enterprise; it goes through a good country; it is as badly operated as anything in the world could be, and we get no interest out of it. I believe the Minister of Railways does claim that he had a surplus of a million or two last year, but that was all by doing Government business; it was only a matter of bookkeeping. You get no interest on your investment, and you put out millions every year in order to keep the thing going. Sometimes I feel that I should like to know how much we are putting out on the Intercolonial railway every year; it would run into many millions. The same thing will happen if the Government take over the Canadian Northern railway system; we will put up millions—not $15,000,000, or $20,000,000 a year, but $50,000,000, $60,000,000, or $70,000,000. My hon. friend is correct when he says that there is a great trend of public opinion in Canada, especially in Ontario, in favour of public ownership. Public ownership of all sorts of utilities has been tried, but I have yet to see the public utility in Canada that in the matter of sound business management would compare for a moment with privately-owned and privately-operated utilities.

This afternoon I referred briefly to the Manitoba telephone system. The Manitoba Government took over the telephone business under very favourable circumstances. Does the minister know that to-day in no other place in Canada are the people pay-

ing such enormous prices for telephone service as the people of Manitoba are paying for a very indifferent service? They are, in many cases, paying from fifty to seventy-five per cent more for the service than the people in the Maritime Provinces are paying where the systems are privately owned and managed. Any public utility in Canada always costs more to operate under public ownership than it would if operated by a private enterprise. We are trying in this country to apply certain ideas and conditions that have been worked out fairly successfully in the Old Country. The bigger cities of Europe have operated tramway systems and other public utilities with a good deal of success; but for all that, we would not put up for two days with the service they have in those big cities.

Mr. GERMAN: Is my hon. friend sure about the tramways?

Mr. CARVELL: I am not sure, because I did not compare the tramways owned by the public with those owned by corporations. Take the telephone system in England. A man will wait half an hour to get telephone connection in England. He does not use the telephone; he uses the telegraph, simply because the telephone service is twenty years behind the times. The telegraph service is not any too good, but the telephone service is horrible. Yet we are told: Look at what the English people are doing; they are running the telephones in England. Yes, they are running them, but the people of this country would not put up with the service for two days.

My hon. friend speaks about the operation of railroads. I have been on Government-owned railways in Germany, Holland and France and the first-class accommodation on many of the roads in Germany is not equal to what we call the tourist class in Canada. The people of Canada would not put up with the accommodation for a moment. If you are going to have public ownership of public utilities in Canada, and if you are going to get down to anything like the cost of operation by private corporations, you will have to make the service inferior, because in Canada you cannot operate a public utility for the same money as a private corporation can and give the same service. In my experience of travelling over a portion of the world, I do not think I have ever seen such an excellent service as the Canadian Pacific railway gives us. I go to New York very frequently; I travel along the northern part of the United States and there is no service there equal to that of the Canadian Pacific railway.

Mr. GRAHAM: You ought to travel between Ottawa and Brockville. It takes four hours and fifteen minutes to go seventy-three miles.

Mr. CARVELL: There is no doubt that the Canadian Pacific is giving the finest service in the world to-day, and that is simply because the Canadian Pacific has been built up by men who have started at the bottom. Many of those men are alive to-day. It is unfortunate that many of them are passing away. There is not a man at the top in the Canadian Pacific Railway company to-day who did not start at the bottom, and each one feels he has a real interest in the operation of the road; he feels he is a proprietor in some sense. There is a loyalty to the system that you cannot find on the Intercolonial, or any other Government-owned road. I realize I am speaking to-night very much in opposition to current opinion in Canada. Nevertheless, those are my views, and I am stating them, no matter how they are received by the press and the people of Canada. Should my hon. friend happen to be Minister of Finance four or five years longer he will regret that he did not take the advice we are giving him this evening and not launch on this great principle of Government ownership of the Canadian Northern, which must inevitably carry along with it Government ownership of the Grand Trunk Pacific and possibly of the Grand Trunk as well.

Mr. MURPHY: In presenting certain information to the committee this afternoon, the Minister of Finance said that he thought he was bringing down all that had been asked for. Some hon. gentleman on this side—I think the hon. member for Rouville (Mr. Lemieux)—asked the minister if he could bring down the names of the shareholders and also the names of the directors.

Mr. LEMIEUX: The bondholders.

Mr. GERMAN: The names of the shareholders and directors were asked for.

Mr. MURPHY: To that list I would ask the minister to add the names of the pledgees of the stock to which he has referred and also the names of the contractors referred to in the printed statement as having unsettled claims. There are, in Ottawa and vicinity, some contractors who, to my knowledge, have unsettled claims, and it will be interesting to note if their names will appear on the list presented by the

minister or not. In that way we shall be able to judge as to the reliability of the statement made by the company. I should be glad to have that information from the minister before the Bill founded on the resolution is submitted to the House for discussion.

Sir THOMAS WHITE: It would be impossible for us to obtain the names of the bondholders of the Canadian Northern Railway company, as those bonds pass from hand to hand and a holder to-day might not be a holder to-morrow. I do not think that matter would have any bearing upon the question before the committee, which is as to whether the Government shall acquire the entire capital stock of the Canadian Northern company. I will endeavour to get the other information asked for by my hon. friend. There is a further statement which I said I would lay upon the table of the House when the Bill is in the committee stage, when there will be ample time to discuss all its provisions; that is the balance sheet for the fiscal year of the company which ended on June 30, 1917. I think I can get that substantially correct. Hon. members will understand that in a railway system as large as this, two or three months are required to check all the vouchers to a certain date. I will endeavour to get that statement. I think that is substantially all that has been asked for, but if when the Bill is in the committee stage, any further information is required, we could get it fairly expeditiously, without a delay of more than a day or so.

Mr. MURPHY: Will the minister get the information asked for before the Bill reaches the committee stage?

Sir THOMAS WHITE: I can get some. I might be able to get the balance sheet, although I hardly think so. I might be able to get the names of the shareholders. I will, at all events, endeavour to do so.

Mr. GRAHAM: Suppose a constituent of mine asks me: How much are you paying for the Canadian Northern? What shall I say to him?

Mr. A. K. MACLEAN: Perhaps it is as well that you do not know.

Mr. GRAHAM: An hon. member says: Perhaps it is as well that you do not know. I have been in a quandary as to just what I would tell him. I know what the guaranteed liabilities are; I know what the unguaranteed liabilities are; I know what the short-term liabilities are; but I do not know yet what it is going to cost us during the next three years for betterments, rolling stock, etc. That is what I had particularly in mind. There are certain works such as the Montreal tunnel and terminals, the terminals at Vancouver, and other works of a similar nature but of less importance. The Finance Minister, replying to a question with reference to the Montreal terminals, said that there was a certain amount of the $45,000,000 guaranteed bonds still with the Receiver General, and the proceeds were to be applied toward the completion of the Montreal terminals. How much remains in the Receiver General's hands, and is it sufficient to complete the terminals at Montreal?

Sir THOMAS WHITE: I am told so.

Mr. GRAHAM: I should also like to have the same information regarding the Vancouver terminals, and other improvements of a smaller nature. These will come under the immediate liabilities, if liabilities they are.

Sir THOMAS WHITE: I will ask the Financial Comptroller of the Railway Department to have a statement prepared showing the financing in connection with the Montreal tunnel and the Vancouver terminals. My recollection is that an issue of bonds was made by the Montreal Terminal and Tunnel company. Those bonds were sold in New York and the proceeds applied to the construction of the tunnel and the terminals. The amount required to complete the work is available, I am informed by the Railway Department, from the proceeds of the $45,000,000 of bonds guaranteed by the Dominion Government remaining in the hands of the Receiver General. The same statement is made respecting the Vancouver terminals. But I will obtain that information specifically and give it to the House when the Bill is in committee.

There was one point I inadvertently overlooked in answering my hon. friend from Russell (Mr. Murphy) and that was with reference to the item of $1,300,000 due to contractors. I am told by the Financial Comptroller of the Railway Department that practically all the contractors' accounts, with the exception of about $100,000, have been completely cleared up, and that this $1,300,000 represents principally drawbacks against construction. While there may be some contested claims outside, I do not think that they are of any considerable consequence. But I shall endeavour to obtain that information so that when we are

considering the Bill in committee it will be available to hon. gentlemen.

Mr. GRAHAM: I understand that some claims have been made within the week.

Sir THOMAS WHITE: If the claims are against Mackenzie and Mann, our taking over of the stock of the Canadian Northern would have no immediate bearing on that, except that those claims could no doubt be settled out of the award to be made by the arbitrators in respect of the value of the shares, if they are not settled in the meantime. However, that aspect of the matter does not immediately concern the proposal before the committee.

Mr. GRAHAM: The difficulty is this—and I urged it before: The ordinary contractor will not differentiate between the Canadian Northern and Mackenzie and Mann. He will say: The Government has taken over a mile of road that I have built, and I have not got my money; and I want it. The Government will have to make provision to meet those cases.

Hon. RODOLPHE LEMIEUX: I shall reserve what I have to say on this matter until the Bill comes before the House, but whether the Bill comes up now or later, I wish once more to register my protest against this legislation. I believe that it should not have been brought up during the present session; indeed, it should not have been brought up during the war. The Government creates the impression throughout the country that we have money to burn. According to rumour, and, indeed, according to legislation passed since 1911, this Government might well be defined as being the creation of the Canadian Northern, and it looks as if it would end with the Canadian Northern. My hon. friend the Minister of Finance, who is versed in the classics, should remember that famous apostrophe of Mirabeau during the French Revolution. Addressing himself to his colleagues in the Assembly, at the time the Minister of Finance was proposing that Frenchmen should contribute one-quarter of their revenues to maintain and save the State, he said: "Messieurs, la banqueroute est à vos portes et vous délibérez," or, "Gentlemen, bankruptcy is staring you in the face, and yet you are discussing." I think it is well to remind the Minister of Finance this evening of those words of Mirabeau, because if bankruptcy is not staring us in the face, we are living in most crucial times at all events, and yet we are discussing whether or not we shall make another gift of several million dollars to Mackenzie and Mann. From the day he became Finance Minister, my hon. friend has thought of nothing else but giving slices of Canada's fortune to those two gentlemen.

Last session $15,000,000 was given to them. In 1914 their bonds were guaranteed to the amount of $45,000,000, and the Government took a share in the company, promising the country that this would be the last call on the public treasury, and that it would save the situation. This year we are to take over the company and control the whole $100,000,000 of stock. Last year my hon. friend appointed a commission of three most distinguished gentlemen—Mr. Acworth, an authority on railways in England, and, indeed, in Europe; Mr. Smith, one of the best railway men in America; and the Chairman of our own Railway Commission, Sir Henry Drayton. They prepared a report which has been published throughout the country, and which states in the most emphatic manner that the stock of the Canadian Northern company is valueless, and that Mackenzie and Mann are not entitled to any equity. And yet my hon. friend comes before Parliament in the dying days of this session, on the eve of a general election, with a proposition that Canada shall acquire the whole system by getting control of the stock. But whilst we assume all the liabilities he proposes to leave the management to the same individuals. He has the temerity to propose to the Canadian Parliament that the value of the stock shall be determined by arbitration. One arbitrator will be appointed by the Government, another by Mackenzie and Mann, and those two appointees will appoint a third. I am not so gullible as to believe that these three arbitrators will not be friends of the company; everybody knows that they will be. Mackenzie and Mann will appoint a friend of their own; the Government, which is the creation of Mackenzie and Mann, will appoint a friend of Mackenzie and Mann, and the two together will appoint a third friend of Mackenzie and Mann. In this way a combination will be formed to fleece the country of several million dollars. My hon. friend must not forget that he stated not long ago that the public debt of this country amounted in round figures to one billion dollars; that we shall owe at the end of this war nearer two billion dollars than one and a half billion dollars; that we are spending every day towards our military effort about $800,000; that we are borrowing today at six per cent, selling our bonds at 98.

Yesterday, the Prime Minister chided me because I dared speak of economy on the appointment of a new minister overseas, and two under-secretaries. He said that my advocacy of economy should not be taken too seriously. Sir, if the Canadian Northern had not chloroformed the press of this country, my hon. friend would know what is the sentiment of the people from one end of Canada to the other, and he would realize what the people think of this transaction which in my humble judgment is nothing less than a scandalous transaction. Not to speak of economy! When the revenues of every man, woman and child of this country are being taxed in order to replenish the Treasury of Canada so that we may meet the contingencies of the war. My hon. friend has read Gladstone, the greatest Chancellor of the Exchequer England ever had. I read in one of his speeches many years ago the following words: "A Chancellor of the Exchequer who is not ready to be cheese-paring is not worth his salt." Does my hon. friend realize the situation to-day? Does he not know that every man and woman in this country is working and saving in order that we may pass successfully through the present awful crisis? We have not saved one penny on the ordinary expenditures of the country. I say to my hon. friend that we had a right to expect from him in 1914 that in view of the war he would reduce the ordinary expenditure by at least twenty-five or thirty per cent. He has not done so; on the contrary, he has increased it. At the end of the session last year my hon. friend came with another scandalous proposition—the Quebec and Saguenay deal. The scheme involved several million dollars, and was referred to the Exchequer Court. Sir Walter Cassels declared in his judgment that at least three-quarters of the claim made by the owners of the Quebec and Saguenay railway should not be paid by the Government. If this transaction goes through, the least my hon. friend should do would be to discard the idea of an arbitration which admittedly will go in favour of Mackenzie and Mann, and refer the whole question as to the value of the stock to Sir Walter Cassels, a man eminently fit to preside over such a transaction, and in whom the people of this country have every confidence. I am sincere when I register my protest against this resolution, and I say again, if the press of Canada had not been chloroformed by the Canadian Northern, there would not be room enough in this building to hold all the protests and all the petitions which would be made against this scandalous deal.

Sir THOMAS WHITE: My hon. friend (Mr. Lemieux) has been the first to introduce a political bias into the consideration of this question. He has waxed quite rhetorical over the fact that during the last four or five years the Government has had to deal with the Canadian Northern Railway situation. I would like to ask my hon. friend what he had to say during the years when the foundation was laid, so far as the Canadian Northern Railway company, the Grand Trunk Pacific Railway company, and the National Transcontinental Railway company are concerned, for all the difficulties which have confronted this Government since 1911. Does my hon. friend think this Government went out looking for those railway problems? Those problems were here when we came into office. They have been with us every year, insistent, and urgent. They could not be evaded by the Government, if it had any regard to the credit of this country, or of its provinces, or to financial conditions, or to the public service rendered by the transportation companies of Canada. What is the essence of the railway situation to-day? It is that we have three transcontinental railway systems where we ought to have two. I am not desirous to-night of carrying on a controversial discussion, but it has been started by my hon. friend from Rouville, and I must say something in defence of the Government with respect to the charges my hon. friend has made against it. We found the National Transcontinental unfinished. The Transcontinental from Moncton to Winnipeg which was to have cost $60,000,000 according to the estimate of the then Finance Minister, stands Canada to-day at $200,000,000. Does my hon. friend say this Government is responsible for that expenditure? Who is responsible for the $200,000,000 expended on the National Transcontinental? Take the Grand Trunk difficulties, referred to in the Drayton-Acworth report. Who is responsible for the bargain which brought about the situation by which the Grand Trunk is liable as guarantor to the extent of $5,000,000 annually on the securities issued by the Grand Trunk Pacific? Is this Government responsible for it? This Government cannot be responsible, because that bargain was entered into in 1904, many years before the present Government came into power. We had to provide money for the completion of the National Transcontinental. We had to make loans to the Grand Trunk Pacific if it was

to be completed. Although the Grand Trunk Pacific, and the Canadian Northern as well, were enterprises originated by the Government of my right hon. friend (Sir Wilfrid Laurier) when in power, I have always dealt fairly, as Minister of Finance, and this Government has always dealt fairly with the Grand Trunk Pacific. We finished the National Transcontinental. The money was found, and the work was completed.

Mr. GRAHAM: It is not completed yet.

Sir THOMAS WHITE: It is in process of completion. I suppose, as my hon. friend is aware, it may be said that railways are always in process of completion. My hon. friend knows that immediately after coming into power we made a loan of $16,000,000 to the Grand Trunk Pacific. We made another loan, of $8,000,000 to the Grand Trunk Pacific last year. This year we have brought down an estimate of $7,500,000 for the same company. We did not do that because we want to do it, in the sense of desiring to spend the money; we did it because the situation calls for financial aid if those roads are to continue to be operated. We have not gone out looking for an opportunity to spend money for the National Transcontinental or the Grand Trunk Pacific.

What I have said also applies to the Canadian Northern. When we came into power we found the road partially completed between Montreal and Port Arthur, with a guarantee of $35,000,000 upon it given by the late Government. This was not nearly sufficient to finish the line, and the Government found itself in the position in 1914, just as we find ourselves in the position today, of having to extend further aid to the Canadian Northern company or allow the whole system to go into default, with great loss of money in connection with the guarantees given by the Dominion. I need not refer to the extensive aid by way of guarantee given to the Canadian Northern Railway system in the West. That is well known to the House, because it has been so frequently discussed here. The point I desire to make is that this Government found a certain railway situation when it came into power; that that railway situation has developed, has gone on to its inevitable conclusion in the completion of those lines, and that the Government of Canada has been meeting that situation as best it could from year to year. As I say, I am not disposed at this time to be critical of my right hon. friend (Sir Wilfrid Laurier) in regard to his Grand Trunk Pacific project. This is not a good time to be controversial. We all realize that the times are serious. I have refrained from introducing any partisan or controversial matter into this debate because I think the attention of the House and of the country should be fixed, so far as possible, on our prosecution of the war, because that is the principle business of the time. But we are confronted with a condition and not a theory. If it was a theory we should not have to bring down these proposals. But it is a condition, a condition arising out of what was done by this Parliament and by the legislative assemblies of the provinces of Canada years ago. We are confronted with a condition which has been fully disclosed in this House, and it has been common ground on both sides of the House—my hon. friend's leader, the right hon. leader of the Opposition (Sir Wilfrid Laurier) has taken the position again and again—that these roads must not be allowed to go into receiverships. If they are not to go into the hands of a receiver, they must be saved, and the only way to save them, so far as I know, is to continue to finance them. My hon. friend speaks of arbitration; he condemns the Government for the proposal that these shares should be valued by arbitration. Let me tell him that he voted for that in 1914.

Mr. LEMIEUX: I would refer the whole matter to Sir Walter Cassels.

Sir THOMAS WHITE: My hon. friend voted in 1914 for valuation by arbitration on an amendment moved by his leader, the right hon. leader of the Opposition. My hon. friend cannot deny that.

Mr. LEMIEUX: But we had not a debt of a billion and a half dollars then, and we were not at war.

Sir THOMAS WHITE: My hon. friend can sing high and can sing low, and can blow hot and cold. It would not make any difference—he would be opposed to any proposal that this Government brought down in connection with this railway matter, for which we are not primarily responsible at all. My hon. friend would object. If we had brought down a proposal that this should be referred to the court, my hon. friend would have fallen back on his position of 1914 and said that the value should be determined by arbitration; he would say it would take two years to determine this in the courts, and that in the meantime the matter would be hung up indefinitely, and he would have all kinds of suspicions against the Government. That is what my hon. friend would do because, while he is a good fellow per-

sonally, he cannot help being a violent and truculent partisan in the House.

Mr. MACDONALD: What about yourself?

Sir THOMAS WHITE: It is impossible for me to be a partisan, that is a matter of temperament. My hon. friend from Pictou (Mr. Macdonald) has a great advantage over me in that respect, because he was born a partisan.

Mr. MACDONALD: I admit it frankly, you don't. You are not frank.

Sir THOMAS WHITE: It is a great help to my hon. friend. It is a great help to a man to be born with a bias.

Mr. MACDONALD: Like you have, but you do not admit it.

Mr. GRAHAM: Some men are born with it, and some acquire it.

Sir THOMAS WHITE: I am not arguing in a controversial manner. I think that both sides of this House,at this critical time, should take into consideration the conditions which surround this railway problem, the most important, next to the war, that we have, and discuss it in a businesslike manner, eliminating partisanship and political controversy altogether. It is too big a problem to be mixed up with the political situation—altogether too big a problem.

I have given all the reasons that moved the Government to take the course we have taken, and notwithstanding the strictures of the hon. member for Rouville I believe it is the course which will best meet the railway situation and will be a step forward in the policy of preserving for the people what the people have financed; and I believe that it is supported by public opinion throughout this country. I do not agree with my hon. friend for one moment that the press of this country has been chloroformed. On the contrary, the policy which we have adopted is a policy which has been advocated by the great majority of the press throughout Canada, not only recently, but for a considerable time past. The press of this country are a great public influence, and, so far as I have been able to judge, on the whole a great influence for good, and for progressive government. My hon. friend from Rouville might do a good deal worse than follow the judgment of the press. I do not know any better way of forming the judgment of a public man than for him to study assiduously the editorial expressions of the press. They are good public men who are in charge of newspapers in Canada, and they know the trend of public opinion. My hon. friend is entirely wrong in casting reflections upon the press of the country. There has been a widespread expression of opinion since these proposals have been brought down, and they have met with general acceptance. I may say to the hon. member for Rouville that in Ontario, from which province I come, these proposals are received as embodying the proper policy to be pursued by the Government of Canada in connection with this most difficult question. I say to my hon. friend that he would make no headway in Ontario—I do not believe he would make any headway in the West—

Mr. GERMAN: Not with your arbitration attached to it.

Sir THOMAS WHITE: —in attacking the policy of public ownership which the Government has introduced. In answer to my hon. friend from Welland (Mr. German), I would repeat what has been said many times to-day, that in determining upon arbitration we are following the method which was suggested by the Drayton-Acworth report as to the number of shares which might be allowed to remain with the present owners and as to the earnings which might be attributable to those shares.

Mr. GERMAN: You are not doing that.

Sir THOMAS WHITE: I know we are not doing it, but we are following the mode suggested by them in connection with that. And not only that, but we are following absolutely the proposal which was made in an amendment moved in 1914 by the right hon. leader of the Opposition (Sir Wilfrid Laurier), voted for by the hon. member for Welland and by the hon. member for Rouville, and, so far as I know, by the entire Opposition. And if we had come down, as I have said, with any different proposals, they would have been opposed by hon. gentlemen opposite, they certainly would have been opposed by the hon. member for Welland, the hon. member for Rouville, and possibly some others.

I am sorry to have taken up the time of the committee, but I felt that, on account of the violent attack made upon this transaction by the hon. member for Rouville, it was due to the Government and myself that I should make answer. I said I did not desire to bring the question of the railway policy of the late Government into issue. We have threshed that out so many

times—the water has gone over the wheel, the wheat is out of the straw; it is waste of time for this House, at this of all times, to discuss the question of the railway policy. We have three transcontinental railway systems in Canada; no matter what we may say about the past, they are here; they have their requirements; the situation must be met, and it is for the Government of the day to determine what is the best policy to be adopted in order to meet it. These proposals which we have brought down represent the policy which we think right, and which we regard as in the public interest at this time, and I believe they will met with the general approval of the people.

Mr. GRAHAM: My hon. friend said he did not wish to discuss the water that has gone through the mill, but he did it just the same. The matter under consideration is the Canadian Northern, and I will confine my remarks to that concern. The hon. gentleman knows I am not averse at any time to discuss the other matter, but this is what we have in mind, and I will just refer to it for a moment. If the policy of the late Government, with which I had something to do, had been carried out, we should not have been found in the position we are to-day in reference to the Canadian Northern system. I do not say for a moment that that system would not have had its difficulties, and that we should not have had to come, in a measure, to its relief, possibly owing to financial stringency and unforeseen conditions. But the policy of the late Government in connection with the Canadian Northern was this: to first connect its gathering system in the West with the Atlantic system, before it ventured across the Rockies. Aid was given to that system to reach its coal mines, but the late Government refused absolutely to give aid to the Canadian Northern system west of the Rocky mountains for the time being. Messrs. Mackenzie and Mann then went to the British Columbia Government, and made an arrangement with the late Sir Richard McBride, building the British Columbia end of this road under a provincial, not a federal, charter. They came again to the Dominion Government, and were again refused any aid, for the time being at least, for that portion of the transcontinental line. They entered into an agreement with the late Sir Richard McBride, by which he aided them very liberally, as we find by this statement laid on the table of the House—$40,000,000 I think. In connection with that aid Mackenzie and Mann entered into a signed agreement with Sir Richard McBride that that portion of their transcontinental line should not come under the jurisdiction of the Dominion Board of Railway Commissioners. So extreme was that arrangement that Mackenzie and Mann agreed that if any person attempted to bring that portion, even as to through rates, before the Board of Railway Commissioners, they would appear personally and oppose the application. Now, this Government, coming into power, reversed that policy altogether, and they came to the aid of the Canadian Northern railway west of the Rocky Mountains. I submit that if the Canadian Northern railway had strictly adhered to the plan of first connecting up its gathering system on the prairies with the Atlantic seaboard, and got that system into operation before they attempted to build the British Columbia end of the line, they would not have been in the serious condition we find them in to-day.

I asked the Finance Minister a question, and he said he was going to answer, but we got away into something else. I said, suppose one of my constituents were to ask what is the Canadian Northern system going to cost us, what should I tell him?

Sir THOMAS WHITE: As to stock?

Mr. GRAHAM: No, everything.

Sir THOMAS WHITE: All that we are buying is the stock.

Mr. GRAHAM: We do not know what we are going to pay for that.

Sir THOMAS WHITE: No, because we do not know its value. It may be little or it may be more. It will be for the Board of Arbitrators to determine that. I stated yesterday that I would not be frank if I did not say to the House that the Government, after acquiring the stock of the system, intended to continue it as a going concern, and while we are not legally liable for the debts of the company, any more than my hon. friend would be liable for the debts of the Canadian Pacific railway if he happened to buy some of the shares, at the same time the Government intends it should continue as a going concern, and, of course, would from time to time render such assistance as might be necessary to that end. The hon. member from Carleton (Mr. Carvell) made some pretty shrewd observations to-night, among them the statement that he thought the Canadian North-

ern in a period of five years would be self-supporting. I find a considerable opinion among those competent to judge that this Canadian Northern Railway system is likely in time to be a decidedly paying concern.

Mr. GRAHAM: It depends on the management.

Sir THOMAS WHITE: Yes, it depends largely on the management, and, of course, upon conditions, but there seems to be no doubt that the Government is taking over a good railway system. It is well located, with excellent grades, and with alignment that leaves nothing to be desired. I feel quite optimistic with regard to the future of the Canadian Northern Railway system, once it gets over this trying period referred to by the hon. member from Carleton. My hon. friend (Mr. Graham) says his constituents might ask him, what liabilities will the Government have to assume? I think he might reply something like this: In the stock ownership of a railway system is embraced the physical properties, the plant and equipment of the system. Those are assets which every year produce a certain amount of earnings. So far as the Canadian Northern is concerned, those earnings will probably in time be able to take care of underlying interest charges, betterments and improvements, and possibly purchases of a certain amount of rolling stock. Supposing that situation is reached, we have a great property that produces every year sufficient revenue to take care of the operating expenses, the fixed charges and the other matters I have mentioned. Therefore, the question of liability need not at that time particularly disturb the people of Canada any more than the liabilities of the Canadian Pacific railway to-day disturb its shareholders. The Canadian Pacific railway has liabilities, but the earning power of the company is so great that no shareholder is in the least degree disturbed as to these liabilities, because the earning power is ample to take care of the interest upon all the bonded debt, and also pay handsome dividends to the shareholders. So far as the immediate situation is concerned, I have told the House that on account of the Canadian Northern being unable, owing to war conditions and to the position of its securities, to do new financing—as a railway company in a better position would be able to do, at least in peace time—to provide for betterment, for rolling stock and for expenditures of the capital nature, the Dominion Government might have to provide fifteen or twenty million dollars every year, for the next three or four or even five years, as my hon. friend from Carleton has stated, in order to meet underlying interest charges and to assist the company in its financing. But this situation differs from the situation which has hitherto prevailed, and which would continue to prevail if the Government brought down a Bill to aid the Canadian Northern by way of loan, as it did last year. All the expenditures which we shall make from this forward will be for the benefit of the property which is owned and controlled by the people of Canada.

That is the essential difference between the situation now and the situation that existed hitherto. With regard to the value of the shares themselves, my hon. friend may tell his constituents that he approves of the manner of ascertaining the value, because the course adopted was the course recommended by the leader of the Opposition. As soon as he tells his loyal constituents that the right hon. leader of the Opposition recommended that course in 1914, I am positive that they will be quite satisfied and will vote for him as usual.

Mr. GRAHAM: The name of the leader of the Opposition is the best name in my constituency, by all odds.

Mr. MURPHY: Just like the West.

Mr. GRAHAM: But the people might change their views, as my hon. friend did, for instance, in certain matters connected with the conscription measure. I am afraid that I shall have to make up an answer myself for my constituents, because they will not understand the one given by the Finance Minister.

Mr. MACDONALD: Is it intended that the operation of the road under the auspices of the Government will begin when the transfer of the stock is made, or will it be postponed until after the value has been fixed by the arbitrators and the amount has been actually paid over?

Sir THOMAS WHITE: Under the terms of the agreement, as soon as the five-sixths of the stock is vested in the minister, the Government will be in a position to aid the Canadian Northern in connection with its financing and to control the board.

Mr. MACDONALD: Will the Government at that time make any changes in the board that will interfere with the present method of operation by the directors now in control?

Sir THOMAS WHITE: It is premature to make any statement in advance of con-

sideration of the question by the Government when it becomes the owner of the shares. But the Government will have to consider the personnel of the Board of Directors of the Canadian Northern and determine what, if any, changes should be made. I mean that the Government will then be in a position to determine the personnel. I pointed out the other day that the road is well managed. So far as the operating officials are concerned many of them are of the highest standing; I mentioned two or three of them by name. It is not in mind that any changes will take place. The Government's function will be to appoint a Board of Directors to administer through the officials the affairs of the road. The Government will not be brought into immediate privity with the officials of the road; in other words, the Government will be the sole stockholder of the road and as such will be entitled to name the board of directors. The directors will have general supervision over the affairs of the company just as the directors have now.

Mr. MACDONALD: The Government will be the owners of the stock and in that respect there will be Government ownership of the road, but there will not be Government operation. That would seem to be the purpose. My hon. friend lauded the desirability of Government ownership of railways. That phrase "Government ownership of railways" is very broad in its acceptation. It may mean that the Government simply have title to a railway and that somebody else is operating it, or it may mean that the Government owns and operates the utility. In this case we are having Government ownership in the former sense, not in the latter. My hon. friend since he became Finance Minister, has frequently come to Parliament in regard to the matter of aid to the Canadian Northern. We remember that in the early stage of his career he came to us and wanted us to vote $15,000,000 for that purpose. On that occasion he gave the House the impression that if we voted $15,000,000, that would be the last time of asking; that the Canadian Northern Railway company would be able to handle everything in connection with their affairs and that the country would not have any further trouble in the matter. We had a homily to-night from my hon. friend with regard to some views expressed by the member for Rouville (Mr. Lemieux). My hon. friend forgets that he supported my right hon. leader in 1904 in his project of assisting in the construction of the Grand Trunk Pacific railway and that he remained a supporter of that proposal right down to 1911. Certainly my hon. friend cannot deny that he is a political acrobat—I do not know whether that is worse than being a partisan or not. My hon. friend exercised his acrobatic propensities in 1911 in respect of the matter of trade between Canada and the country to the south of us. Only quite recently, after denouncing free wheat and all such things as matters emanating from the Evil One, my hon. friend, with the greatest possible ease and eloquence, dilated upon the glorious advantage of having free wheat and freedom of trade north and south. I have said that when he asked us for the $15,000,000 for the Canadian Northern, we were told that that was the last time of asking. When he asked for $45,000,000 the proposal was opposed on this side of the House, an amendment being moved for a six months' hoist and issue being taken in the matter as between the parties. My hon. friend said that the country should congratulate itself upon the fact that it had obtained forty per cent of the stock and had made a good bargain. All that my hon. friend said in 1914 when he proposed the advancing of $45,000,000 will be called up in evidence against him before this board of arbitration which he proposes to appoint to fix the value of the stock. All his statements will be available for the counsel of the Canadian Northern people when they go before this board of arbitration. They will argue that if my hon. friend could buy $40,000,000 of stock for $45,000,000, the old rule of proportion would enable the board to ascertain what $60,000,000 of stock was worth. They can make a very fair argument to any tribunal based upon my hon. friend's attitude at that time. My hon. friend is now trying to ride the Government ownership horse, and in order that he may do so he is assuming a debt for this country in the vicinity of $600,000,000. My hon. friend is taking a very large order. He had the temerity the other day, on August 1, when the member for Edmonton (Mr. Oliver) intimated that the country was assuming a liability of $500,000,000 to say:

> That is entirely incorrect. The corporate entity of the Canadian Northern railway and of all the companies in the system is being preserved, and we are going to operate through the Canadian Northern Railway company. It is not even an indirect liability.
>
> It is the liability of those companies, and the Government will own the $100,000,000 of stock besides the stock it owns to-day. The statement that we are adding $500,000,000 to

the national debt of Canada is absolutely and entirely incorrect.

My hon. friend was simply quibbling when he made that statement. He knows that just as well as any other hon. member. He argues that because a shareholder of the Canadian Pacific railway is not liable on fully paid up shares for the amount of the mortgage debt of the Canadian Pacific railway, the Government of Canada is not liable when it owns the whole stock of the Canadian Northern. That is a very plausible argument for the man on the street who is not a business man or who does not understand how this thing is being worked out. But the Minister of Finance of this country has no business to come before this Parliament and make such a statement, because he knew and every other hon. gentleman here knew when he made that statement, that by the purchase of the equity of redemption of the road; this country, by every moral obligation that appertains to Governmental action was committing itself morally and practically to the total liabilities of the Canadian Northern railway. The minister holds up his hands in holy horror over the suggestion that a receiver should be appointed at this moment, regarding it as a terrible thing in the interest of this country. But what would he say if the interest on all those outstanding securities was not paid, or if those current liabilities to the extent of $98,000,000 were not paid by the Canadian Northern—and there is nobody hereafter to go around and look for money but my hon. friend—what would he say if one of the people interested in this liability of $98,000,000 applied to the courts for a receiver for the Canadian Northern? Would my hon. friend pay the bill or would he not?

Sir THOMAS WHITE: What is the essential difference between the situation when we acquire the stock and our position now with a mortgage of $45,000,000 next after all underlying securities?

Mr. MACDONALD: The minister must remember that to-day there are outstanding $147,000,000 worth of securities of the Canadian Northern which are not guaranteed by anybody.

Sir THOMAS WHITE: They are a charge upon the system.

Mr. MACDONALD: If the minister will look at the addendum on page 7, he will find that there is a 5 per cent income charge convertible debenture stock of $25,000,000 and Imperial Rolling Stock company, Limited, equipment trusts of $14,846,500, which means over $39,000,000 more. That means that there are $186,000,000 of securities that are not guaranteed. The minister is making the country liable for them by becoming the purchaser of the equity of redemption. The minister says: What more liability are we incurring now than the liability of $45,000,000 we had before? He knows that liability comes only after the underlying securities; he knows that, as the matter stands to-day, the Government are not liable for those $186,006,000.

Sir THOMAS WHITE: No, he does not. The Government are not legally liable in either case. The argument my hon. friend is making is that they are morally liable by owning the stock. The point I am making is that his argument would apply to the Government as guarantors of the $45,000,000 just the same as with respect to all the other underlying securities, including the unguaranteed stock which is a charge upon the undertaking, and in priority to the $45,000,000 mortgage.

Mr. MACDONALD: Not at all, because at this moment you have the $98,000,000 of current liabilities which are not paid and which will have to be paid. The minister knows that any one of those creditors who go to make up that $98,000,000 could come into the court in the event of failure to pay his account and ask the court to appoint a receiver.

Sir THOMAS WHITE: My hon. friend is entirely overlooking the collateral to that $98,000,000 of short term loans, against part of which is Dominion guaranteed security coming in priority to the $45,000,000.

Mr. MACDONALD: Not a great part.

Sir THOMAS WHITE: A considerable part.

Mr. MACDONALD: You might find a stray amount. The minister is simply dodging the issue. He knows that the point I make in regard to this matter cannot be controverted. No matter what the situation has been in the past, the Government of Canada, by virtue of becoming the owner of the equity of redemption in this property, makes itself liable for every one of the securities, and if there is an attempt made by anybody to whom the Canadian Northern owes, say, $1,000,000 for balance due for construction, to put the railway into the hands of a receiver, the minister would have

to call upon the Government to pay that money, just the same as he would have to pay the whole amount. The result is that to-day there are, according to this statement, approximately $399,000,000 of guaranteed and unguaranteed securities. In addition to that, there are $98,000,000 of current liabilities, as set out on page 8. That means $498,000,000, or approximately $500,000,000. Then, there is the interest charge which the minister has to provide for this year, and there are the expenditures that must be made for this year. When the Government takes title to the stock, which they will do upon the signing of the transfer of five-sixths of that stock, what is the source to which Messrs. Mackenzie and Mann, operating the Canadian Northern railway, will look for money for the purpose of providing betterments during this year? There is only one source—the Government of Canada. Hitherto, Mackenzie and Mann were compelled to resort to their own methods of financing, and they did so. Now they will simply come to the Government of Canada and say: We do not have to go to New York in war time and look for money, and pay large commissions and sell stock at a low figure, or sell our securities at a low price; we come to the Government of Canada, for whom we are operating this road; you are our bankers, our superiors, and you will have to provide that money. Therefore, in addition to the $500,000,000 which are added at one swoop to the debt of the country, there are these liabilities for which the Government becomes responsible. The result is a profound disregard for that public opinion which the minister says exists in Ontario in regard to this question of Government operation. The Government says in effect: We are liable for all the debt, but we are going to let Mackenzie and Mann go on and operate the road. That is the situation in which we are.

Sir THOMAS WHITE: That is not correct.

Mr. MACDONALD: My hon. friend spoke of the fact that the gentlemen who were operating the road—

Sir THOMAS WHITE: I was speaking of the officials of the road; I was not speaking of the members of the board. I mentioned the other day Mr. McLeod, Mr. Hanna and Mr. Mitchell, as very competent officials.

Mr. MACDONALD: Those are the gentlemen who have been operating the road in the past; they are operating it now.

[Mr. Macdonald.]

Sir THOMAS WHITE: I think they are good officials.

Mr. MACDONALD: The minister says they are good officials. He is going to let them operate the road. The result will be that instead of going to Messrs. Mackenzie and Mann, as they have gone in the past when they required money for betterments, they will go to my hon. friend. That is the only difference.

I am not again going into the question of arbitration, to which I referred the other day. The minister says that it is a modification of the suggestion contained in the Drayton report. What I am concerned about more than anything else is the way in which this matter is to be dealt with. According to the history that my hon. friend is providing for the counsel who are to be engaged in the case, the additional amount which Canada will be compelled to assume will to my mind be very large. My hon. friend has chosen to proceed in that way, but personaly, I think it would have been better to clean up this whole thing.

Sir THOMAS WHITE: How?

Mr. MACDONALD: Appoint a receiver to operate the road as a trustee, and then it would have been open for the country to deal with it. Some hon. gentlemen seem to think a receiver is a most dreadful proposition, but as a matter of fact there is not a lawyer in the House who does not know that a receivership is very often the best way of dealing with a company that has got into difficulties, no matter what kind of a company it is. Here we have a large amount of securities which have been issued in the past and have not been guaranteed. I venture to say that where they have been disposed of they have been sold at a large discount from their face value, and large amounts have been paid in commissions. Why should the country be compelled to pay millions of dolllars to men who made their money in that way? If we adopted the method I have suggested we should know exactly how much money had gone into the road, an adjustment could be arrived at under a proper accounting system, the road could continue to be operated, and the whole matter would be cleaned up. My hon. friend stands aghast at that proposal, as do some other hon. gentlemen. Yet these are serious times. The financial problems pressing on the country are of the most grave character, and day by day they are becoming more serious. When I

see my hon. friend going down to New York, and I see it advertised in the New York papers that Canada's securities are being offered there at 98 and that the parties who purchase them receive 6.7 per cent on their investment, then I say we are in a very peculiar financial situation, this security being only a two-year term proposition.

Sir THOMAS WHITE: Does my hon. friend happen to know what interest return the Imperial Government securities offered in New York, paid secured by high class collateral? Does my hon. friend not know that we have to have regard to that in our issues?

Mr. MACDONALD: My hon. friend is speaking of something which does not for one moment help towards a solution of the problem I am dealing with. My hon. friend is paying 5 per cent in Canada for his money, while the United States Government are paying only 3½ per cent. The moral I was endeavouring to point out was that my hon. friend is compelled to offer his security to-day on a two-year basis, and the parties who are purchasing them are receiving 6 per cent on their investment. My hon. friend is increasing the debt of this country by this proposal and impairing our borrowing power in the New York market to the amount of $500,000,000 more. My hon. friend's suggestion that this does not mean an increase in our national debt may pass as an argument along the concession lines, but when he goes down to New York to look for money again, he will find that the shrewd bankers there, who are looking forward to making New York the money centre of the world will say: "Since you were here before, you have directly or indirectly assumed liabilities in addition to what you had before of nearly $600,000,000; your borrowing power is thereby impaired, because you have to pay interest on that amount each year, and we shall therefore have to charge you more; we cannot underwrite this loan at the figure we did before." Having in mind the financial conditions that will confront this country in the future, he ought to have been prepared to look to almost any resource before saddling this country with this liability, which will meet us at every turn whenever we seek to borrow money in the markets of the world for any purpose whatsoever. I have ventured to deal with this phase of the matter because it seemed to me that my hon. friend was not quite candid in his remarks to the House on this subject.

Resolution reported, and read the first time.

Mr. SPEAKER: When shall the resolution be read a second time?

Sir WILFRID LAURIER: To-morrow?

Sir THOMAS WHITE: Does my right hon. friend suggest that the resolution be read a second time to-morrow, and the Bill then introduced?

Sir WILFRID LAURIER: Yes.

LIVE STOCK EXCHANGE.

On motion of Hon. Mr. Burrell (Minister of Agriculture) the House went into committee to consider the following proposed resolution. Mr. Davidson in the Chair.

Resolved, that it is expedient to provide that there shall be a live stock exchange in connection with each stock-yard operated under these provisions, of which every commission merchant doing business at such stock-yard shall be a member; that the by-laws of such exchange be subject to the approval of the Minister of Agriculture; that such by-laws provide for commission merchants giving security to account for proceeds of sales received; that the Governor in Council may authorize the said minister to license such merchants and to prescribe a fee therefor; that the construction, equipment and management of stock-yards be as prescribed by regulations to be made by the Governor in Council and by by-laws to be approved by the said minister; that the stock-yards be subject to inspection; that stock-yards not managed as required by regulation may be closed after notice; that the said provisions shall not apply to existing stock-yards until after not less than three months' notice; that the Governor in Council may by regulation prescribe how live stock, meat, poultry, eggs and wool shall be graded, packed and marked; that penalties be provided for violating the Act and for assaulting or obstructing officers while in performance of their duties.

Mr. NESBITT: Would the minister explain?

Mr. BURRELL: This resolution and the Bill founded upon it is the result of a good deal of discussion in the country amongst the live-stock men, and the result also of a good deal of investigation by our own department. As the House knows, the stock-yards of the country are practically the only market the producer of live-stock has outside of his chances of selling to the ordinary buyer who comes along. The producer has to sell his stock to the drover or the ordinary buyer who comes along and take what price he can get, or ship his cattle to the stock-yards and take his chances there. While the stock-yards, therefore, of which there are six in Canada—one at Calgary, one Edmonton, one at Win-

nipeg, one at Toronto and two at Montreal —afford the very best market for the producer of live-stock, and provide a stimulus for producing more live-stock, a great many criticisms have been directed to the conditions which exist in some of the stockyards, and there is a very strong feeling amongst live-stock men throughout the country that there should be some Government regulation and control of the stockyards.

For instance, as the principal buyers in the stockyards are packers, exporters and butchers, it is quite obvious that the man who ships a carload of live stock to the stockyards is, in a sense, taking a leap in the dark, and has to depend on the integrity, the honesty and efficiency with which the stockyards are managed, as well as on the integrity of the commission man with whom business is done. In the United States, where there are some enormous stockyards, as my hon. friend knows, there have been tendencies towards monopolies on the part of great packing-houses and other corporations, and the farmer, the producer of live stock, has always felt that he is very much the under dog. I do not say the same conditions exist to the same extent in Canada, but I know there have been strong protests to the Government of the United States about conditions there, and we did not feel it was a happy condition to exist here. Therefore, it was thought better to take it in time, and have some kind of Government supervision of the stockyards management, in order, not to impose any improper restrictions on the stockyards, but to give the farmers and drovers of live stock in the country the security they should have in what is their particular market, an absolute knowledge that they would get a fair and square deal all round. I do not think it is necessary to explain the various provisions that will be embodied in the Bill, because they will be discussed at length when the Bill is introduced. We have wished to take some steps which will lead to a better system of standardizing our live-stock products, not only to strengthen our export market, but in order to keep the export market which we have happily gained during the progress of this war.

As all men who have studied the question know, the war has seen the replacement in the British market of a great many commodities of Danish, Russian and other origin, by an increase of exports from the United States, and a very great increase in the agricultural exports of Canada, to such an extent that it is felt if the conditions can be maintained and our flow of exports continued, it will provide the very strongest stimulus for the development of our country. This export trade is of vital importance, because if a steady increase in production occurs here it can only be warranted by a steady export trade, and in this way it re-acts on the whole market. That is, briefly, the purpose of the Bill which is to be founded upon the resolution.

Mr. NESBITT: I am one of those who would be very glad to assist the farmer by every means to get an honest deal. What I wanted the minister to explain was just how this Bill will help the farmer. I quite appreciate if a person ships stock in, say, the Toronto live-stock market, he must take his chances as to what he gets for it. He generally ships to a commission man there, and the commission man sells to the packer. As a rule the farmer does not do the shipping himself, unless he is accustomed to go to the market, and knows the ways of the market. The resolution says:

> That it is expedient to provide that there shall be a live stock exchange in connection with each stock-yard operated under these provisions.

As a matter of fact, is there not now a live-stock exchange?

Mr. BURRELL: Not at all stock-yards.

Mr. NESBITT: Does not the buyer who buys from the farmer ship the live-stock to the order of a commission man, or a broker?

Mr. BURRELL: Yes.

Mr. NESBITT: And, does not the latter sell them publicly to the packers? I do not wish to be understood as criticising my hon. friend. I am only asking for information.

Mr. BURRELL: I thought all those details would come up again and be more fully considered when the Bill was under discussion. My hon. friend's statement is correct, except that I do not think there are live-stock exchanges in connection with all the stock-yards. What we propose is that every stock-yard shall have an exchange, and that no commission man shall operate in these stock-yards unless he is a member of the livestock exchange, and no live-stock exchange shall operate unless its by-laws have been approved by the minister. In that way, the department will have a reasonable knowledge of

whether an exchange has conducted its business on proper lines. It would also involve the bonding of the commission men on the exchange. There may be cases, particularly in the West, where farmers ship their live-stock long distances, and some commission men may not always do the fair thing. At the present time there is no check upon them. We propose to have them bonded and to have the by-laws of the live-stock exchange submitted to our approval, so that all along the line there may be a fair knowledge of the transactions which are made, and some guarantee that reasonable treatment will be accorded to the producer. It is chiefly in the interests of the producer that this Bill is brought forward. My information is that no stockyards management will object to reasonable government regulation, and I do not think they should object. There are many ways in which a shipper might not get a fair deal. For instance, some of the packers, transportation companies, and so on, might have a stronger pull in the running of the stock yard, and there might easily be an allocation of space and facilities that would be much more in favour of the wholesale man or packer than of the individual shipper. There is also variation in the fees charged.

Mr. NESBITT: Are you going to regulate the fees?

Mr. BURRELL: Yes, we have power to regulate all those things.

Mr. NESBITT: Supposing I shipped a carload of cattle, and was not satisfied that the commission merchant or broker to whom I shipped had dealt fairly with me, what recourse would I have?

Mr. BURRELL: We propose not to allow a man to operate as a commission merchant on the exchange until he can satisfy, through the exchange, with whom we will deal—

Mr. NESBITT: The exchange will be a body corporate?

Mr. BURRELL: Yes. He will not be allowed to operate unless he can give absolute security as regards his integrity and financial standing. It will work out something in the same way as the bonding of the grain men on the Winnipeg Grain Exchange. There is some criticism as regards the prices of feed, and as regards weights. We propose to have supervision of the scales, and details of that kind, in order to insure that the operations will be uniform and satisfactory, and the producer of live stock operating in this way will know he has all the encouragement and protection that can be afforded him, because he is going to get a fair deal.

Mr. NESBITT: Do you propose to have an inspector in the yards to see about the weights?

Mr. BURRELL: We would probably work very largely through the live stock exchange. The exchange would have to operate under our approval, through its constitution and by-laws, so that if there was any dispute or grievance at any time we could take it up through the exchange. We would reserve power to close the stock-yards if we wished, and license commisison men to carry on their business irrespective of the exchange. Not that we are anticipating anything of the kind, but the whole tenor of the Bill is simply to provide, in the interests of the producers of live stock, what I think should possibly have been provided before, some Government regulation and supervision of the stock yards which are a sort of semi-public utility.

Mr. THORNTON: Is it the intention that only live stock commission merchants shall be members of the exchange?

Mr. BURRELL: Yes.

Mr. THORNTON: A drover could not be a member?

Mr. BURRELL: It is intended to apply only to commission men.

Mr. THORNTON: And every sale should be through a commission man?

Mr. BURRELL: I should not like to speak positively of that now, but practically all the business is done in that way in the stock-yards. A man sends his stock there and it is sold on commission. This is only to systematize the business, and to give additional securities to the shipper, it was felt that the bonding feature was necessary. The matter has been discussed very vigorously in the West. Two years ago the Saskatchewan Government appointed a commission to investigate the live-stock industry, and one of the most vigorous recommendations was that some control of the stock-yards should be established. The Western Live-stock Union, the great organization of stock producers west of the lakes, has also for the last two years been passing resolutions along the same line. That the stock-yards have helped live-stock production is evident because in

Edmonton, since the establishment of the stock-yards, the condition of the shipper has been greatly improved, although the features that this Bill is intended to improve may be still in existence there.

Mr. THORNTON: Would it undertake to regulate the conduct of a live-stock commission merchant?

Mr. BURRELL: Yes.

Mr. THORNTON: Because there are grievous and well-founded complaints of the treatment that drovers and farmers get from commission men.

Mr. BURRELL: There will be ample provisions in the Bill to exercise the fullest control in the interests of the shipper. I was going to suggest that, after the resolution is reported, the Bill to be founded on it should be referred to the Committee on Agriculture, where it could be fully discussed without taking up the time of the House.

Mr. MORPHY: Why does the minister go so far here? The general discussion would indicate that this was a Bill relating to live-stock, but the resolution also gives this commission apparent power to regulate how meat, poultry, eggs and wool shall be graded, packed and marked. That seems to be a very broad departure. Am I to understand that every farmer who ships to that exchange must be subject to the regulations of this board?

Mr. BURRELL: It is not very well explained in the resolution, because the resolution embodies the whole Bill, but that is a separate feature entirely. The live-stock exchange and the stock-yards is one section of the Bill, and the Act to be cited as the Live-stock and Produce Act. The second part contains a clause which aims at the other feature, namely, the intention of the department and the Government to do something in the direction of generally supervising our live-stock products, bacon, eggs, wool and various other commodities, in which case we propose to consult all the interests thoroughly before passing the Bill. It is intended to link up the whole system contemplated by this Bill with the export trade.

Mr. MORPHY: Why is it necessary in this Bill to interject a clause providing for penalties for violating the Act or for obstructing an officer in the execution of his duty under it? It seems to me that the ordinary Criminal Code would apply to that, especially if the officer is a public officer.

It does not seem to me that a Bill dealing with farm produce or live-stock should have incorporated in it a clause of that kind. What is the reason for it?

Mr. BURRELL: Similar provisions have been inserted in a number of other Acts, both in my department and in others. This was done after consultation with the Parliamentary Counsel.

Mr. MORPHY: In a Bill like this, applicable to the countryside at large, I can see danger of that clause being taken advantage of by an inspector to take to himself power to which he has no right by threatening men with criminal prosecution under this section. It seems to me to be giving a drastic power to an inspector dealing with ordinary trade commodities, which should not be put in the Bill, because of the danger that an officer enforcing the Act might attempt to bulwark his own power by a threat of serious criminal prosecution. There has been some feeling of uneasiness on the part of the public because of the power that has been acquired by these stock commission merchants, and the law is sufficiently drastic to give any man all the protection he needs without incorporating a common, everyday clause of the Criminal Code in an Act respecting merchandise.

Mr. WILLIAM SMITH: It appears to me that the Minister of Agriculture (Mr. Burrell) is taking a step in the right direction. This measure deals with a very important part of agriculture, live-stock. I would suggest to the minister that this resolution should be sent to the Committee on Agriculture, where it might be discussed in all its details, and no time would be lost.

Mr. NESBITT: I think no harm would be done if we allowed the drover to sell on the stock exchange or stockyard. I see no reason why I should not ship a bunch of steers or cattle to stockyards, and sell them without the intervention of a commission man. I do not think the Bill should force sales through the hands of a commission man. I understood the hon. minister to say, in answer to my hon. friend (Mr. Thornton), that that was the intention of the Bill. That would mean that no person outside of the big brokers on the exchange would be allowed to sell stock. I ask the minister to consider that question, because I think his object is to make the market as open as possible, and to regulate it as well as possible to protect the interests of the ordinary greenhorn.

Mr. BURRELL: Our feeling in regard to the penalty clause was that it was really part of the protection. It is a protection to the farmers. However, all those details might be very much better discussed in committee, and I propose doing as my hon. friend from South Ontario (Mr. Smith) suggested, and will refer the Bill to the Agricultural Committee. So we need not discuss details now.

Resolution reported.

Mr. BURRELL moved for leave to introduce Bill 123, respecting live stock, founded upon the resolution.

Motion agreed to, and Bill read the first time.

CRIMINAL CODE AMENDMENT.

On motion of Hon. Mr. Doherty for the second reading of Bill 97, to amend the Criminal Code respecting jurors:

Mr. PUGSLEY: Would my hon. friend allow this Bill to stand? The hon. leader of the Opposition (Sir Wilfrid Laurier) is not present. I know he has had communications from at least one of the governments of the provinces upon this subject, and I feel quite sure he would like to be heard when the discussion takes place.

Mr. DOHERTY: The Bill contains one clause, and I rather hoped it would not give rise to discussion, but I do not desire to proceed with it in the absence of the right hon. gentleman (Sir Wilfrid Laurier).

Mr. PUGSLEY: To-morrow?

Mr. DOHERTY: I will bring it up to-morrow.

On motion of Hon. Mr. Doherty, the House adjourned at 10.30 p.m.

Thursday, August 9, 1917.

The House met at Three o'clock, the Speaker in the Chair.

SPECIAL COMMITTEE TO REVISE RULES CONCERNING DIVORCE.

On motion of Hon. Mr. Hazen, the name of Mr. Boys, was substituted for the name of Mr. Boyce, on the special committee to revise the rules concerning divorce.

Motion agreed to.

REPORT OF McLEOD-TELLIER COMMISSION.

Hon. C. J. DOHERTY (Minister of Justice): I beg to lay on the Table the evidence taken by the McLeod-Tellier Commission. I am laying on the Table at the same time the evidence and proceedings before the Galt Commission, because of the fact that this was in major part the material with which the McLeod-Tellier Commission was called upon to deal. Whether it will be necessary, in the event of the proceedings before the McLeod-Tellier Commission being printed, to print also that most important material that they had before them may depend somewhat upon whether or not that evidence, having been already printed, I understand, by the provincial authorities, is available or not. But I thought it better to place before the House the entire material which the McLeod-Tellier Commission had before it.

Hon. WM. PUGSLEY: Is it intended to print the evidence without the matter being further considered? My right hon. friend (Sir Wilfrid Laurier) mentioned the matter, and perhaps it might be as well to allow it to stand till to-morrow and see what he desires. If the evidence before the Galt Commission is already printed and available, I do not see any reason for printing the same matter twice over. It would be merely necessary to print the supplemental evidence.

Mr. DOHERTY: I had a word last evening with the right hon. leader of the Opposition, and I rather understood from him then that he did not think it would be necessary even to lay on the Table this other material, but I think it is desirable, at all events, that we should put before the House the whole material which the McLeod-Tellier Commission dealt with. The evidence before the Galt Commission was perhaps the most important part, because their first duty was to pass upon the sufficiency of that evidence, and their report expresses their opinion on that. I think it will be found that there is no occasion to reprint that evidence, which is very voluminous.

Mr. PUGSLEY: Are there several copies available of the evidence printed by the Manitoba Government?

Mr. DOHERTY: I am not in a position to speak on that subject to-day. We might let the question of printing stand over.

Mr. PUGSLEY: You might have the supplemental evidence printed.

CRIMINAL CODE AMENDMENT.

Hon. Mr. DOHERTY asked leave to introduce Bill 124 to amend the Criminal Code and the Canada Evidence Act.

Mr. PUGSLEY: Will the hon. gentleman explain?

Mr. DOHERTY: There are five amendments sought to be made by this Bill. They concern matters which are considered to be of some urgency and importance. The effect of the first section is to amend the existing section 4 of the Canada Evidence Act, so as to make the evidence of a wife admissible against the husband in prosecutions for non-support. The second section of the Bill proposes to amend section 213 of the Criminal Code, so as to include within its provisions those enactments making it a criminal offence to have illicit connection on the part of an employer, or, generally speaking, of a person in a position of authority over the victim or the participant in the illicit connection. The amendment consists in including another class of persons within that class of people the step-parent, foster parent or guardian who has illicit connection with his step-child, foster child, or ward. The third section proposes to amend the definition of a common bawdy house, so as to make it include a place where acts of indecency are committed, or a place to which people ordinarily resort for the purpose of indulging in such acts of indecency. Our attention has been called to a certain class of establishment, which is announced under guise of what might be a perfectly legitimate business or treatment, but which, according to the police information, is really used for acts of indecency. The fourth section amends a provision which was made, I think, a year or two ago constituting it an offence for a trader who has become insolvent to have failed to keep regular books of account. That is already the law, but in its interpretation the purpose was defeated, because there was ambiguity in the terms with reference to the period of time within which such failure must have taken place. The purpose of the proposed amendment is to correct that ambiguity. The last section proposes to amend the present tariff of constables' fees for services rendered in connection with criminal prosecutions. This is in response to a very general request, and the proposition has been submitted to the provincial governments which are also interested in it, and if my information is correct with regard to the most of them, if not all of them, it meets with no objection.

Motion agreed to, and Bill read the first time.

[Mr. Doherty.]

QUESTIONS.

(Questions answered orally are indicated by asterisks.)

MAJOR BARTLETT.

Mr. J. J. HUGHES:

1. Is Major Bartlett, of Charlottetown, P.E.I., now employed, or has he been employed by the Government or the Militia Department?
2. If so, how long has he been so employed and what remuneration has he received or is he receiving for his services?

Sir EDWARD KEMP:

1. Yes, as officer in charge of supplies, transport and barracks at Charlottetown.
2. Since January 1, 1916. He is receiving the pay of his rank.

CAPT. KENNETH C. MACPHERSON.

Mr. PROULX:

1. Is Captain Kenneth C. Macpherson attached to military headquarters at Ottawa?
2. If so, what are his duties and pay?
3. Up to the outbreak of war did Captain Kenneth C. Macpherson conduct a real estate business at Ottawa or elsewhere?
4. Did he perform active service in France or Flanders?
5. If not, in what capacity or rank did he go to England and why did he return?

Sir EDWARD KEMP:

1. Yes.
2. An assistant to the Assistant Paymaster General. $6.25 per diem.
3. Yes, in Ottawa.
4. Yes.
5. Answered by No. 4.

QUESTION PASSED AS ORDER FOR RETURN.

Mr. KNOWLES:

1. In what cities of the Dominion does the Post Office Department make use of the street cars for the transportation of letter carriers?
2. How many letter carriers in each city are privileged to have the use of street cars?
3. What is the price paid by the department per carrier in the several cities for such transportation?
4. From what basis is the amount paid by the department to the several street car companies derived?
5. On what dates do the present agreements with the street car companies in each city cease?

INTERCOLONIAL RAILWAY—RATES ON COAL.

On the Orders of the Day:

Mr. D. D. McKENZIE (North Cape Breton): I call the attention of the Minister of Railways and Canals (Hon. Mr. Cochrane) to a letter which I received from the

manager of the Bras d'Or Coal company, Limited, in respect to the rates on the transportation of coal from Sydney to Montreal. The letter is dated July 28, 1917, and reads:

Dear Mr. McKenzie:—

In reply to your favour of July 23rd, the rates from Sydney, North Sydney, Sydney Mines and Little Bras d'Or have been increased to Levis and Carrier Junction from $2.35 a net ton to $3.75. These are the points that we are particularly interested in, but there has been a general increase in the rates of about proportionate to these increases from North Sydney to all points west of Mont Joli. Under Government supervision in the United States, the railways have been permitted to increase the rate by 15 cents a gross ton, and you can see that the Canadian Government rate has been increased by $1.40 a net ton.

Thanking you for your interest in this matter, I remain

Yours very truly,

Geo. B. Burchell.

The people in that part of the country are very much concerned about this large increase in the rates. I hope that the minister will be able to go back to the old rate.

Mr. COCHRANE: It is well known that the old coal rate was exceedingly low; it was put into effect when our traffic was largely to the east, enabling us to bring back our cars loaded. But the situation has changed; practically all our loading is now west, and if we did very much coal business it would be necessary for us to bring down empty cars for it. The rate that my hon. friend has mentioned is less than one half cent per ton per mile, which is as low a rate as obtains in the United States. It is one thousand miles from Sydney to Montreal and one-half cent per ton would bring the rate up to a good deal more than the rate my hon. friend mentioned. It is only in proportion that we have raised the rate to Quebec city and other places in Quebec province. Having regard to the tremendous increase we have had to make in the pay of our men, and to the increased amount we are paying the coal producers for coal, certainly we are justified in increasing our rates.

PROPOSED NEW PENSIONS ACT.

On the Orders of the Day:

Mr. E. M. MACDONALD (Pictou): When does the Finance Minister purpose going on with the new Pensions Act? Many cases have come under the observation of hon. members in respect to which amendments ought to be made.

Sir THOMAS WHITE: The matter is very important and, as my hon. friend knows, somewhat complicated. It has received a good deal of attention. I am not in a position to make a definite statement to-day, but I shall do so later.

THE CANADIAN RAILWAY SITUATION.

FIRST READING OF BILL RESPECTING THE CANADIAN NORTHERN RAILWAY.

Sir THOMAS WHITE (Minister of Finance) moved the second reading of a certain proposed resolution in respect to the acquisition by His Majesty of certain shares and capital stock of the Canadian Northern Railway company not now held by the Minister of Finance in trust for His Majesty.

Motion agreed to, and resolution read the second time.

Sir THOMAS WHITE thereupon moved to introduce Bill No. 125, providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway company.

Motion agreed to, and Bill read the first time.

CRIMINAL CODE AMENDMENT.

NUMBER OF JURORS IN PANEL.

Hon. C. J. DOHERTY (Minister of Justice) moved the second reading of Bill No. 97, to amend the Criminal Code respecting jurors.

Hon. WILLIAM PUGSLEY (St. John City): I am surprised that in moving the second reading of a Bill proposing such a drastic change in the administration of the criminal law, the Minister of Justice has not seen fit to give to the House a full explanation, not merely of the provisions of the Bill, but of the reasons for its introduction. It is true that on the first reading he stated the object of the Bill. But he ought to go much further than that; he ought to show to the House the reasons why this Bill should be passed.

I have had much to do with the administration of criminal law in my own province during a period of thirty-five years, and I have never heard the slightest expression of dissatisfaction with the law as it exists. It is absolutely essential for the proper, efficient and satisfactory administration of the criminal law that it should be continued on the statute book as it is to-day. If this amendment is adopted and the law is changed in the manner proposed by my hon. friend, in many cases the administration of justice will be paralysed.

In criminal cases where the circumstances are such as to arouse passions and prejudices, it is absolutely essential that there should continue to be vested in the Attorney General as the representative of the Crown the right to cause jurors to stand by until the panel has been exhausted, when, of course, the Attorney General again brings forward the jurors who have not been challenged peremptorily, and they must be sworn unless they are subject to challenge for cause. The existing law affords the greatest protection which could possibly be desired for the fair trial of a person accused of crime. By reference to the Criminal Code, section 932, it will be found that it is provided that:

> Every one indicted for treason or for any offence punishable with death is entitled to challenge twenty jurors peremptorily.

That is to say, a person indicted for treason or murder or any other offence punishable with death may, without giving any reason or showing any cause, peremptorily challenge twenty of the jurors of one panel. In addition to that there is the challenge for cause, for instance, for expression of opinion, which is usually regarded as a sufficient cause of challenge. There are many causes of challenge which I need not state to the House. Section 932 also provides that:

> Every one indicted for any offence other than treason, or an offence punishable with death, for which he may be sentenced to imprisonment for more than five years, is entitled to challenge twelve jurors peremptorily.

The power of the Crown to challenge peremptorily is limited to four jurors, no matter whether the indictment is for treason, or for murder, or for any other offence. Take, for instance, a trial for murder or for treason. In the first place the accused has the right to challenge peremptorily twenty jurors, and the Crown has the right to challenge peremptorily but four. In addition to that there is the right to challenge for cause, which in the case of a crime exciting widespread interest in the community, arousing the passions and prejudices of the people generally, may be made, and in many cases those challenges for cause are allowed. For good reasons, when the present Criminal Code was enacted Parliament, carrying out the provisions which have been in the Criminal law for very many years, continued the right of the Crown to order jurors to stand by until the panel was exhausted. I challenge the Minister of Justice to cite a single instance in the administration of the criminal law in this country in which any evil has resulted from the Crown having exercised that right. Unless it can be shown that some evil of a public nature has resulted from the law being as it is, why should the law be changed?

If we take the history of matters which have led up to this proposed change, we find that the reason for the amendment made by the Minister of Justice arose in Manitoba. In the other provinces of Canada there has been upon the statute book a provision that the panel may be increased materially. That provision has been upon the statute book of Ontario for a good many years; it has been upon the statute book of New Brunswick for twenty-five or thirty years. Some little time ago a change was made in the Manitoba statute making the same provision which, in the other provinces, has, for so many years, resulted in a very satisfactory administration of the criminal law. Certain correspondence took place in reference to that legislation. The Minister of Justice threatened to advise His Royal Highness to disallow it. The minister did not seem to be impressed by the fact that Manitoba was simply following the example of the other provinces. At that time there were important criminal trials of a somewhat political nature, affecting prominent public men in that province, and we can well understand that the matter was brought to the attention of the Minister of Justice, and that he was pressed to consider whether or not the law passed by the Legislature of Manitoba should be disallowed. The Attorney General of Manitoba took the view, quite correctly, I think every one will agree, that the constitution of the criminal courts as well as of the civil courts is, under the provisions of the British North America Act, vested exclusively in the provincial legislature. The Minister of Justice must have taken that view because, after due consideration, he came to the conclusion that he could not advise His Royal Highness to disallow the statute of the Manitoba Legislature. But the Minister of Justice thought that he might get around the matter in another way, and so he comes to Parliament with the present Bill limiting the right of ordering jurors to stand by unless that right is allowed to be exercised by the presiding judge, not upon the exercise of his own judgment, but upon special cause shown. This is a very little Bill, but it is a Bill of enormous importance so far as the fair and proper administration of the criminal law is concerned.

The Bill reads:

Section nine hundred and thirty-three of the Criminal Code, chapter one hundred and forty-six of the Revised Statutes of Canada, 1906, is amended by adding the following proviso at the end of subsection one thereof:—

"Provided that the Crown may not direct any number of jurors to stand by in excess of forty-eight, unless the judge presiding at the trial, upon special cause shown, so orders."

What must the Attorney General do in the effort to get a fair-minded jury? Let us bear in mind the fact that the verdict of the jury in criminal cases must be unanimous. If by hook or by crook the friends of the prisoner can succeed in getting upon the jury, one man who will hold out, there will be no conviction and the accused will go scot-free, because the jury will be discharged. There may, of course, be another trial, but, by the exercise of equal ingenuity, it may be possible to get another obstinate juror who will hold out for the prisoner, and the accused will go free. I have known that to be the case in the administration of the criminal law in my province. Juries were discharged, not only upon the first trial, but upon the second trial, and the result was that prisoners who there was the strongest possible reason to believe were guilty, were allowed to go free. The Attorney General must exercise his right of peremptory challenge first, before he can order the jurors to stand by. The Minister of Justice was wrong there.

Mr. DOHERTY: If the hon. gentleman will look at the Criminal Code, I think he will see that I am right.

Mr. PUGSLEY: I think not; I will find the section later. The Attorney General exercises his peremptory challenge first. In a case of murder—in fact, in any criminal trial—he may challenge four of the jurors. The prisoner's counsel has the right to challenge peremptorily twenty. If the Attorney General, the prosecuting officer acting for the Crown, has reason to believe that there are men on the jury whom it is not desirable to have sworn as jurors, he orders them to stand by. In ordinary cases forty-eight would be a sufficient number to be allowed to stand by, but in cases which I have known, at least one hundred jurors have been called by order of the judge, because it was necessary to call that number in order to get an impartial jury. In a case where jurors have been called to a number exceeding seventy-five or a hundred, we will say, as soon as the Attorney General stands by forty-eight, his right of stand by is exhausted. The names must then be called again, and he is obliged to allow to be sworn on the jury any juror whom he may have ordered to stand by, but whose name may be called again, and whom he is not able to challenge at all. That is a most important right. I have never known it to be exercised arbitrarily, because we all know that in the administration of criminal justice the Attorney General—and the same may be said of counsel who are appointed by him to prosecute criminal cases—considers himself in the position almost of a judge. It is his duty to consider the accused innocent until he is proved guilty, and to give him every fair chance. In the trial the Attorney General places himself almost in the position of the judge.

Now, what does this Bill provide? It provides that after he has stood by forty-eight he must apply to the judge if he wants to stand by any more. He cannot give his private views to the judge, but must show special cause, which means that notice is given to the counsel for the prisoner, and that the Attorney General has to produce affidavits to show why such and such a juryman should not be sworn. Affidavits are also presented on the other side, and the whole question of the desirability or otherwise of having a jury against whom the Attorney General may have the strongest possible objection has to be tried out in public before the judge, and the judge must give his decision whether special cause has been shown, and whether the Attorney General shall be permitted to stand that jury by. What is going to be the effect of that? The Attorney General has to show cause. He has to show partisanship. He has to show that a man is not worthy to be a juror as between the Crown and the criminal. He has to establish special cause, to satisfy the judge that in the interest of justice that man should be stood aside, and if the judge decides that the cause is not sufficient, he has to allow that man against whom this charge has been made, which has been tried and decided against the Crown, to be called as a juryman to try the case as between the Crown and the accused. I hold that that would be very objectionable indeed, and it would in fact paralyse the administration of justice in important trials where great public interest and strong feeling has been aroused. My hon. friend from Gloucester (Mr. Turgeon) will remember the case which was tried in the county of Gloucester a good many years ago where it was exceedingly difficult to get a jury. There was a strong feeling of sympathy with the prisoners,

which is very often the case in murder trials. In this particular case, if I remember rightly, the late Mr. Justice King, who was Attorney General, had to get an order for 150 additional jurymen before he could say that he had a panel out of which there could be a selection which would give a fair and impartial verdict—fair and impartial towards the prisoners, and fair and impartial towards the people, for whom the Crown is acting. If his right had been limited to stand by only forty-eight of these jurymen it would have been very difficult indeed for him to have obtained such a jury as he could feel could be relied on to give a fair and impartial decision.

I do trust that my hon. friend the Minister of Justice, knowing by what has been reported in the press that these gentlemen in Manitoba are not to be re-tried, will drop this Bill. The cases in Manitoba have been dropped, and I repeat, I trust my hon. friend will drop this Bill. There is no need for it, no public necessity has been shown, no evils have ever resulted from this right in the criminal law. No evils have ever resulted from the fact that the legislatures of the different provinces have done the very thing which the Legislature of Manitoba has done, of giving the right to stand by a large number of jurors in exceptional cases where that is necessary for the fair administration of justice. I will ask the minister not to press this Bill, because he will find that it will enormously hamper in the discharge of their duties those who are charged, as the Attorney Generals of the different provinces are charged, with the administration of the criminal law, and in many cases it will actually paralyse the administration of criminal justice.

Mr. DOHERTY: In reply to my hon. friend—

Mr. SPEAKER: I must direct the attention of the House to the fact that if the Minister of Justice exercises his right to reply, it will preclude any other hon. member from speaking on this motion.

Mr. C. A. WILSON: What is the reason for this change in the law?

Mr. DOHERTY: I cannot give the reason without stopping everybody else from speaking, but if I may be permitted to make one remark—the hon. gentleman (Mr. Wilson) has practised in Quebec under a system where the limitation on the Crown is absolute.

Mr. C. A. WILSON: I will wait to offer my opinion until the Bill is in committee.

[Mr. Pugsley.]

Mr. PUGSLEY: Will you permit me, Sir, to make just one suggestion? The Minister of Justice has not yet taken advantage of his right to reply, which would preclude others from speaking. Might he not be permitted by unanimous consent of the House to give the reasons for this change in the law?

Mr. SPEAKER: It would be highly irregular to do that. The Minister of Justice has spoken in moving the motion, and there only remains to him the right to reply.

Mr. PROULX: Have there been any requests for this legislation by the attorneys general of any of the provinces?

Mr. DOHERTY: No, there have not been any. If I may be permitted to say—

Mr. SPEAKER: Order. If the hon. minister of Justice chooses to make his reply now he is at liberty to do so.

Mr. MACDONALD: This Bill is one which, on its face, is very innocent, but at the same time it is very serious, and it is most desirable that the country should know why this measure happens to be here. The Minister of Justice has just told us he had no request from any of the attorneys general that this measure should be passed, and in this busy session, with war problems, taxation questions, and other serious matters engaging our attention, it is certainly of importance that we should know why the Minister of Justice turns aside to introduce measures calculated and intended to upset that well-established jurisprudence in regard to criminal matters which has existed in this country ever since Confederation. The history of this matter begins with certain things that occurred in the province of Manitoba. Prosecutions were initiated in that province against Sir Rodmond Roblin, a former attorney general of Manitoba, and the former provincial treasurer, the Hon. Mr. Caldwell, in connection with certain acts of a criminal character amounting to conspiracy against the public weal, for which indictments were laid. Those gentlemen came for trial before the Supreme Court of the province of Manitoba. Under the law of that province which had been in existence for many years, the number of jurors to be summoned on the regular panel at criminal sittings of the court had been fixed at forty-eight. I may say that is the same number as is provided for in my own province, and is a number, which, under ordinary conditions, has been found to be convenient in various provinces. From that panel of forty-eight

men the jurors to try the particular case were to be chosen. After the first month of the sitting, if the sitting of any particular term of the court lasted over a month, the judge was empowered to summon a second panel of forty-eight, if he deemed it necessary. Then an amendment was introduced on account of the increase in population in the province, and the increased criminal business, and for other special reasons. This amendment left it to the discretion of a judge of the Court of King's Bench to summon a larger number of jurors to attend at the assizes in the first instance, if it appeared to him to be necessary or expedient. In other words, where the Attorney General of the province found that on account of the number of cases to be disposed of at a particular term of the court, and on account of the seriousness or important character of those cases, a question might be raised as to the personnel of the jury, he had power to make an application to a judge of the Court of King's Bench, and the judge might order the summoning of an additional forty-eight men in the first instance. Shortly after this was past, and the first jury panel was summoned for the assizes in November, 1915, and in March, 1916. If the trial of the ex-ministers had come on within the first month of the assizes, the total panel could only have been forty-eight. What did my hon. friend do? He threatened the province of Manitoba with disallowance of the Act which gave the Court of King's Bench of that province the right to summon 96 men instead of 48 at the beginning of the term. Similar legislation exists in every province of the Dominion, and the House will see how perfectly reasonable and natural it should be that under the discretion of the court having regard to the number of cases and their importance, the number of jurors to be summoned at the beginning of the term should be left to the discretion of the judge. The Minister of Justice, however, threatened to disallow that legislation, alleging that the passing of it was contrary to the provisions of the British North America Act. I read from a very full statement of this matter in the Manitoba Free Press, which quotes from the answer given by Attorney General Hudson to the statement of the Minister of Justice upon the subject—

Mr. DOHERTY: Would it not be fairer to read my statement rather than to infer my statement from the answer of the Attorney General?

Mr. MACDONALD: I regret I have not my hon. friend's statement. I would like to discuss it.

Mr. DOHERTY: It was laid on the table of the House some time ago.

Mr. MACDONALD: Has the minister a copy of it?

Mr. DOHERTY: I have a copy of it, to which the hon. gentleman is quite welcome.

Mr. MACDONALD: The quotations which are made in this article were to the effect that the Minister of Justice spoke about the provisions of the Criminal Code being indirectly extended by means of local legislatior so as possibly to produce injustice, and mentions his intention "to regulate in a manner compatible with justice the right of the prosecution to require jurors to stand by"—a right which he complains is uncontrolled judicially. Mr. Hudson, in his reply to the Dominion Government, says:

> While he appreciates their solicitude on behalf of the prisoners now awaiting trial, the undersigned is of the opinion that the report of the Minister of Justice amounts to an attempt to interfere with the constitutional rights of the province, and while reflecting on the fairness of the prosecuting authorities in the province of Manitoba, entirely ignores the fact that the settling of the number of jurors to be summoned is left to the judges of the Court of King's Bench, and that they have no more power than has been given to and exercised by judges in the provinces of British Columbia, Alberta, Ontario, Nova Scotia, New Brunswick, the Yukon Territory and the North West Territories for many years.

That is the position which the Attorney General of Manitoba took in regard to my hon. friend's intimation that he proposed to disallow the passage of an Act which simply gave the judge power to direct the summoning of 96 men instead of 48. The Attorney General of Manitoba took the position that the number of men who were to compose the grand jury or the petty jury in any particular case is a matter which relates to the constitution of the court, and under the provisions of the British North America Act it became a matter which was under the control of the provincial government solely. As my hon. friend from St. John (Mr. Pugsley) pointed out, the Minister of Justice desisted from his threatened disallowance, and introduced this Bill instead. That is the history of the measure.

A great deal has been before the House arising from this question of maladministration in the province of Manitoba by certain provincial politicians, and I think my hon. friend is pushing the desire to assist his friends in that province beyond all reasonable limits when under those conditions, and at this time he undertakes to introduce legislation that would interfere with the whole course of criminal justice

in this country, because of the fact that three political friends of his, charged with political crimes or misdemeanours, were on trial in the province of Manitoba.

That is what my hon. friend is doing by this legislation. In other words, instead of proceeding to disallow the legislation of Manitoba, the hon. gentleman undertakes to get at the question in a different way by declaring that the legislation being in existence and 96 people being summoned, the old law should be changed and the number of people who may be permitted to stand aside, to use the language which is well known to every hon. gentleman who has ever had anything to do with a criminal case in which a jury is empanelled, should be limited. My hon. friend proposes to restrict the right of the Crown to direct any number of jurors in excess of 48 to stand by unless the judge presiding at the trial upon a special case so orders. My hon. friend from St. John (Mr. Pugsley) has very aptly pointed out the difficulties under which crown counsel must be in reference to the question of asking jurors to stand aside. Every one who has had any experience, in either prosecuting or defending, knows how much judgment must be exercised by the crown counsel in dealing with a question of this kind. It is the proud boast of Canadians and Britishers that under the administration of our criminal law, the person to whom is entrusted the task of prosecuting an alleged criminal is not supposed to do so with that pertinacity, and that desire to secure a conviction at all hazards, which characterize the administration of criminal law in the United States. He is there to protect the interests of the people and where he obtains possession of information with regard to the possibility of certain persons who may be summoned on the jury panel having some sympathy one way or another
4 p.m. and exercises his judgment in the interests of the people, if he must submit, in the presence of the prisoner and counsel for the prisoner, to the judge the reasons why he should ask any particular persons to stand by, it will produce the great miscarriage of justice indicated by my hon. friend from St. John. Yet, the Minister of Justice wants to disarrange the whole procedure of the criminal administration in this country simply because he started out to disallow this Manitoba Act and he proposes to get at the same result in another way.

There is a question as to whether the Dominion Parliament has any right to deal with this matter at all. The question of the number of men to sit upon a jury, and thus to complete the organization of the court that is to pass upon the guilt or innocence of a prisoner, is a matter that goes to the constitution of the court itself. The court which is to finally determine this question of guilt or innocence is made up quite as much of the men who compose the jury, because they have to find on questions of fact, as it is of the judge who decides on questions of law. The appointment of a judge is a matter which is reserved to the federal power but the constitution of the criminal courts is unquestionably within the sole power of the Provincial Governments, the only limitation in regard to the constitution being upon the question of procedure. In all the provincial statutes there is to be found legislation determining the number of jurors who can sit upon a case and bring in a finding. The question of the constitution of the grand jury in any particular province is a matter which is fixed by a British statute. The Attorney General of Manitoba, in discussing with the Minister of Justice the question of interference by disallowance with the Manitoba legislation, urged that my hon. friend had no right to interfere with that legislation because the power to pass it was a matter which related peculiarly to the constitution of the court and was not a matter of criminal procedure purely. He pointed out to my hon. friend what Edward Blake said, when Minister of Justice, about legislation of similar character Mr. Blake gave his opinion with regard to the Manitoba Act of 1876 in these words:

> Many of the provisions of the Act appear to touch upon criminal procedure but it is to be observed that an act substantially the same passed by the Quebec Legislature in 1869 was left to its operation, being reported as free from objections.

That was the attitude assumed by Mr. Blake. The Minister of Justice would be well advised to leave untouched the legislation that has been passed by the provinces dealing with the number of jurors to be summoned and other conditions relating to the constitution of the jury, which my hon. friend is absolutely interfering with by this legislation. All over this country we have varying conditions as to population and other matters. It may be that in one province a certain rule will obtain and be absolutely satisfactory to the people while in another province situated in another part of the Dominion an entirely

different rule might be invoked. There does not seem to be any question, having regard to the proper administration of justice, and seeing that the whole matter of criminal administration has been vested by the British North America Act, and by practice in the provincial attorneys general and the courts that the criminal law will be better administered through the courts and the legislatures which have to deal with the matter. The legislation proposed by my hon. friend is entirely unnecessary. I am surprised that at this session, at this time, in these days and after this House has had such a protracted sitting, we should be asked to turn aside from the consideration of serious and grave questions and devote ourselves to a proposition to overturn and disarrange the whole criminal procedure of this country simply and solely because my hon. friend's friends were on trial in Manitoba, and because my hon. friend's intimation that he proposed to disallow the Act was resented by the attorney general of the province of Manitoba and he is afraid to disallow it. Why should we, in this left-handed way, undertake to interfere with the well settled jurisdiction and practice in regard to juries standing aside for reasons of that kind?

Mr. MORPHY: I would not have risen to say a word in regard to this Bill were it not for the fact that there has been no explanation made of it. I shall not follow the line of the hon. member for Pictou (Mr. Macdonald) but in the absence of any reason being shown why the Bill should go through, I have been struck with the total lack of necessity for it. Without going deeply into the matter, it strikes me that throughout Canada to-day there is absolute confidence in the judiciary, speaking at large. Most legal men have gone their ways professionally having the fullest confidence in the judiciary and in the exercise by the judiciary of a reasonable opinion.

This Bill has, in my opinion, a vicious feature. The prerogative of the Crown throughout the whole of Canada has been exercised fairly, and being so exercised, the public mind has been brought, I think, generally to the conclusion that the public right is fairly administered by the judges and by the Crown. To such an extent do I believe that to be true that I am prepared to say here that, instead of decreasing the prerogative and right of the Crown as this Bill decidedly attempts to do, that prerogative and right over criminal matters of trial before a jury should be increased rather than decreased. This Bill is going to tie the hands of the Crown, possibly in important cases which may go to the very fundamental root of the administration of justice, and such a condition might arise, if this Bill becomes law, that the judge, the jury, and the court are absolutely tied up in such a way that the jury, which ought to be constituted for a fair trial of a criminal indictment, cannot be so constituted.

Mr. PUGSLEY: Hear, hear.

Mr. MORPHY: The great difficulty, I think, as a member of this House, in voting upon a Bill of this kind is that I am forced to take just such views as I take from a careful reading of this three-line section, which apparently covers so little space, but means so much, involving essentially a radical change in the administration of justice, and especially since we are accustomed, upon the second reading of Bills in this House, to have some explanation. My remarks must be taken as expressed without having heard one syllable of a reason of any kind from the hon. Minister of Justice as to why he has introduced this Bill. I, therefore, reserve my right to vote upon this Bill as I see fit, upon receiving the reply of the Minister of Justice. If the reply is satisfactory to me I will support the measure, and if not, I will vote against it.

Mr. CURRIE: It seems a little out of place for an ordinary layman to express an opinion on a Bill of this kind, but it seems to me, after my experience politically, that there should be some limit placed on the number of jurors that the Crown, when seeking to attain a political end, should have the right to ask to stand aside without cause. I recollect one of the first trials of the character that occurred in Ontario, when Mr. Hartley Dewart, who is now one of the leading Liberals in the province of Ontario, was acting for the Crown in the case of Robert Gamey, and he called seventeen jurors to stand aside, in order that he might be able to get men on that jury that would give a verdict favourable to the Government that was then toppling to its fall and which, in a few months after, was driven from office by the people of the province. The same thing has occurred in the sister province of Manitoba. Men were ordered to stand aside until the Attorney General was sure that the men he was putting into the box would

give a verdict, whether just or whether right or wrong, in favour of the Crown. I say unhesitatingly that the day has gone by, and it should go by, in this country, where any officer of the Crown can stand up, as if he were at another bloody assizes and cause every juror that is called to stand aside until he can get men who will give him a verdict, whether it is right or wrong. For that reason I approve of this Bill and am going to support it. It is a terrible thing to think a man for very little cause can be placed on trial for a political purpose, and virtually his honour and everything he has in the world jeopardized. Juryman after juryman is brought forward, and without the slightest reason being given the Crown says, "Stand that man aside." Why? Because the man might give a straight and honest verdict. If the Crown has an objection against a man acting as a juror, the Crown counsel should be prepared to stand up and say, "This man is a Tory and might not give a straight verdict." He should come out openly and say so. After a juror has been put in the box, the Crown can question him and say, "Have you made up your mind on this case?" That is when the Crown challenges for cause. And the Crown can question a man, and the Crown has lots of room left to see that a panel of jurors is established to try anybody in this country.

Supposing a man happened to be arrested at some future time for committing some act against the laws we have passed in this House, would it be fair to this man, for instance, if he were against conscription, that he should be placed on trial and that nobody should be allowed to sit on a jury unless the Crown was sure that he was in favour of conscription, and that he would soak that man. I say that this law is absolutely necessary. I will refer to my own experience, in my own election. Naturally when you go up against a man in a fight he takes his favourite weapon, the one he has been accustomed to fight with. If you are fighting with a man who has been digging ditches, he will take a shovel or a pickaxe, and when you fight a lawyer he starts out with a writ. In my election no less than fourteen bogus writs were fired at me, because I was running against a lawyer. None of them went to trial. This weapon has been used politically against people in Manitoba and elsewhere, and unjustly in many cases. It is time a curb was put on those bloody political assizes, and the limit of the Crown's jurisidiction should be settled by the people of this country and by this House. For that reason, I am in favour of this Bill and will fight for it, and I trust this House, and those who may have certain cases in their minds as possibilities, will see that there is a limit placed on the panel, so that the Crown cannot call three or four hundred jurors and tell them to stand aside, till they are sure they cannot get a man who has no idea in his head, except to soak the prisoner. I am in favour of the Bill, and I do not think there is any argument against it.

Mr. C. A. WILSON: I desire to say—

Mr. CURRIE: The hon. gentleman has already exhausted his right to speak on this measure.

Mr. C. A. WILSON: I will rise to a point of order and will discuss the point of order. This is what happened when you Mr. Speaker, were not in the Chair. I rose to ask a question—however, I see the minister agrees that I am in order, and I will proceed.

Mr. CURRIE: I have no objection.

Mr. BUREAU: Do not speak by the hon. gentleman's grace.

Mr. C. A. WILSON: No, I am speaking as a matter of right. The question involved in this Bill is a most serious one. It is against the law of the land, as I find it in the Criminal Code and in the Revised Statutes of Quebec especially, with which I am more familiar. It is the same principle all over the country, in every province. My hon. friend from North Simcoe is not in accord with what the law says as to the question of jurisprudence. Under section 3,437 of the revised statutes of the province of Quebec it is provided that except in the districts of Quebec and Montreal the panel shall consist of forty jurors, speaking either one or both languages; there is no distinction between the two. In the cities of Quebec and Montreal, sixty jurors are empannelled; I mean, outside of the twelve grand jurors. But in those two cities thirty jurors must be familiar with the French language and thirty with the English language. That is the reason the number has been raised from forty in all districts to sixty in those two districts, Quebec and Montreal. I have acted on both sides for a good many years and I know the position in which a Crown prosecutor is often placed. In the district of Three Rivers I acted as Crown prosecutor, specially appointed, in connection with two very noted murder cases, in both of which the verdict was quashed by the Court of

Appeal and a new trial ordered. In those two cases much interest was evinced and partisans were cropping up among the people every day on one side or on the other. Everybody knows that challenge for cause may be exercised in any case provided the challenge is made immediately upon the juror being called. But that is not the case before the House to-day. When the first juror is called, if he is challenged for cause or challenged peremptorily by the defence, that ends his case. As far as the Crown is concerned, peremptory challenges are limited to four. The Crown has the privilege of setting aside as many jurors as it may think fit; that is the law under section 933 which we now propose to amend. Supposing out of the forty the Crown should challenge a certain number, either peremptorily or for cause. Here is where the view of the hon. gentleman who preceded me is not in accordance with the law and the jurisprudence. When the jurors who have been put aside are recalled, they are bound to serve, whether the Crown desires it or not. Important decisions, which I claim to be good law, bear out this principle.

Mr. DOHERTY: That is the protection that I want to keep for the prisoners.

Mr. WILSON: But suppose out of the panel of forty, twenty are challenged for cause and a certain number are challenged peremptorily. You may reach a condition where you will not have any one set aside to be called. Then what will happen? Talesmen will have to be brought in. I see no reason why the Crown should be limited to forty, or even one hundred. In the murder cases to which I referred, no politics was involved; it was not during a time of election; it was not a question of Conservative, Liberal, or Nationalist. It was an extraordinary case in an ordinary time. We had to resort a couple of times to talesmen, sending out to the streets in the vicinity of the court house and securing men apparently qualified to serve as jurors. Any man is qualified as a talesman; you do not have to resort to the secret lists kept by the sheriff. I have known instances where it was found necessary to call 100 or 150 men in order to reach the number required by law. Of course, we have to presume, as has been said by an hon. member, that the people have the greatest confidence in the judiciary at large. But I have seen many cases where the Crown prosecutor has so far forgot himself as to become a partisan in the sense mentioned by the member for North Simcoe. However, I shall await the explanation of the minister that should have been given at first. En passant, it is not fair to the House that a measure of this importance should be launched without the minister's giving an explanation of the main reason at least why it is introduced.

Mr. DOHERTY: As to the criticism of my not having explained the Bill, I have to express my great regret that I am not as prompt a riser as the member for St. John City (Mr. Pugsley). The Speaker had just put the motion and was asking the usual question whether the motion should be adopted when the member for St. John rose.

Mr. CARVELL: May I intervene for one moment? I was not here when this debate started, but I am just told that there was a ruling—I do not understand why—that the Minister of Justice has the right to close the debate.

Mr. PUGSLEY: He moved the second reading of the Bill without any explanation.

Mr. CARVELL: I should like to say a word on this subject, if the minister will allow me.

Mr. DOHERTY: Certainly. I have no desire to preclude anybody from speaking.

Mr. CARVELL: One of my friends told me that if the minister spoke I would be precluded from making any remarks.

Mr. PUGSLEY: The minister said something which requires a word from me. I hope he would not suggest that I had any thought of speaking before he explained the Bill. The Speaker put the question; the minister did not rise; thereupon I rose and made my remarks.

Mr. DOHERTY: I do not say that everything was not done in good faith. I do not suggest that the hon. gentleman meant to preclude my speaking, but that is just what happened. As the Speaker was concluding, I did not rise as promptly as I might have, and the member for St. John rose. I do not suggest that he intended to preclude me; I quite understand that he supposed that I did not mean to speak. To be quite frank, it did not occur to me at the moment—for reasons which I will explain when I come to reply—that this measure called for explanation. Some things that have been said since make it rather clear to me, however, that it did.

Mr. CARVELL: Were it not for the peculiar circumstances under which this legislation was introduced, the minister

might possibly have some argument in the matter. I had been hoping that he would give some reason for introducing this very important legislation.

Mr. DOHERTY: May I not have an opportunity of at least making one observation on that subject? The Speaker has ruled that I cannot speak now without precluding everybody else from speaking. Therefore, if I am refraining from giving explanations, it is because I wish to afford an opportunity to any one desirous of speaking. If I might make a suggestion, would we not get this situation cleared up by allowing the Bill to go into committee, when I could give full explanations and every one could say everything he desired in reply? That is only a suggestion so that we may get out of the position in which I am suffering reproach for lack of explanation under the ruling that I must not explain without preventing any other hon. member from speaking.

Mr. CARVELL: It is a new doctrine to me that a minister of the Crown, in introducing an important piece of legislation such as this, is precluded from giving any reasons for its introduction. Why did the minister not give his reasons when he introduced the Bill? I was not there when this Bill came up this afternoon, but I know enough concerning parliamentary procedure to know that the Minister of Justice must have moved the second reading of this Bill this afternoon. Why did he not then state the reasons for bringing in this important legislation? He now complains that, by reason of a ruling of the Speaker, he is precluded from stating his reasons for introducing this Bill. The Minister of Justice is not such a child as that. He surely does not want to presume upon the credulity of the laymen of this House, let alone the lawyers—

Mr. CURRIE: Mr. Speaker, I wish to call your attention to the fact—

Mr. CARVELL: I protest against this interruption by the hon. member for North Simcoe (Mr. Currie).

Mr. CURRIE: The hon. gentleman is out of order.

Mr. CARVELL: Order. Is the hon. gentleman rising to a point of order?

Mr. CURRIE: Yes. My hon. friend does not usually recognize points of order.

Mr. CARVELL: Not very often when they come from my hon. friend.

[Mr. Carvell.]

Mr. CURRIE: I want to point out to you, Sir, that the Minister of Justice had begun the final speech in reply when he was interrupted by the hon. member for Carleton (Mr. Carvell), and for that reason the hon. member for Carleton has no right to indulge in a speech now.

Mr. DEPUTY SPEAKER: I should have asked if any other hon. member desired to speak. I did not do so. The hon. member for Carleton has the floor.

Mr. CARVELL: I was trying to point out to the Minister of Justice the position in which he finds himself. This poor gentleman has been on the bench of this country for many years; he has been in Parliament for nine or ten years; he has been Minister of Justice for six years, and yet he informs us that he has had no opportunity of explaining this remarkable piece of legislation, and he thinks we should not criticise it, but should allow the Bill to go into committee, and then we can discuss the details. The details and the principle of the Bill are one and the same thing, and when we have discussed, upon the second reading, the principle of the Bill, we shall not have much to say about the details in committee. There may have been cases in which possibly we do not require as much standing aside as has taken place in Canada upon certain trials, but the remarkable condition under which this Bill is introduced calls for protest from every hon. member in this House, no matter what his politics may be. As I did not know that this matter was coming up so early, I have not all the facts at my command; but, generally speaking, a criminal trial was held in Manitoba, and before the trial took place an amendment to the Jury Act of Manitoba had been passed by the provincial legislature giving the presiding justice the right, on the application of the law officers of the Crown, to order an additional panel or an extension of the panel. I am speaking generally now, but I am sure I am practically expressing the purport of that legislation. The Minister of Justice was called upon to disallow that legislation, and some correspondence took place between the minister and the Attorney General of Manitoba. Orders in Council were passed by both Governments and forwarded the one to the other. Finally, the Minister of Justice now asks the Parliament of Canada, in view of this correspondence and those Orders in Council, to amend the criminal law of Canada for the purpose of meeting one specific case which happened to arise

in Manitoba and in which his political friends were interested. That is the whole question. It is not a question of whether this is necessary legislation or not. This is purely political legislation in accordance with the exigencies of the political party of which the minister finds himself a member. I am sorry for the minister, because I think he is a member of this Government who has tried properly to carry out the duties of his office as Minister of Justice, and I can quite understand my hon. friend did not have the face to stand before Parliament to-day and explain this Bill. That is the reason for his silence, rather than his lack of knowledge of the rules of procedure of the House of Commons.

Mr. DOHERTY: I am gradually acquiring courage.

Mr. CARVELL: To prove my statement, I will read to the minister the concluding paragraph of his report to Council of the 9th of December, 1916:

> The Provincial Government is responsible for the administration of criminal justice in the province, and may therefore enunciate its intention in the application of the amendment in question. Your Excellency's Government is likewise responsible for its policy in the promotion of such amendments to the Criminal Code as will tend to avoid injustice in the application of its provisions to existing conditions. The undersigned upon careful consideration of the situation introduced by the recent amendment to the local laws, deems it his duty to advise that the right of the prosecution to select jurors for criminal cases cannot, compatibly with the ends of justice, be enlarged in such a manner as might result from the application of section 46a to the project of securing a panel of petit jurors subject to the rule enunciated in section 933 of the Criminal Code; and therefore for the avoidance of doubt. and with a view to the application of the law in accordance with what he conceives to be the reasonable purpose, he would be disposed to consider the propriety of disallowance unless the Lieutenant Governor of Manitoba be advised to give an assurance that his Government will see that, pending the consideration by Parliament of the provisions of the Criminal Code to which the undersigned has referred, the prosecuting authority shall not exercise any right to require jurors to stand aside at criminal trials in excess of that which would have been permissible if section 46a as enacted by the recent Act of Manitoba had not been passed.
>
> The undersigned accordingly recommends that a copy of this report, if approved, be transmitted to the Lieutenant Governor of Manitoba, for the information of his Government, with a request for an early answer to the inquiry herein suggested.
>
> Humbly submitted,
> (Sgd.) Chas. Doherty,
> Minister of Justice.

I do not believe that you can find in the annals of legislation or jurisprudence in Canada such a document as I have read here, which I put forward as a copy of the memorandum submitted to the Privy Council of Canada, in which the minister says in effect to the Government of Manitoba: Important criminal trials are coming up, and unless you assure me that you will not apply the law as it stands to-day, I will disallow your legislation. That would have been bad enough if the necessity for this legislation existed to-day, because then the minister might have some reason for bringing it up. The necessity, however, has passed. We all know that the Attorney General of Manitoba has entered a nolle prosequi against the minister's friends. We know that they are not going to be tried. Therefore, this is no reason in the world why the law should be changed, and this legislation is brought in simply to save the faces of the Minister of Justice and of his political friends. It is a disgrace to the jurisprudence of Canada, and it is tampering with the dignity of Parliament, that we should be called upon to pass political class legislation of this kind. Let the matter stand for a year or two, and if there is any miscarriage of justice, let Parliament deal with it when there can be no imputation of political bias or political reasons.

Sir WILFRID LAURIER: What miscarriage can there be?

Mr. CARVELL: My right hon. friend asks what miscarriage there can be? I cannot conceive of any. What harm can there be if the Crown does stand aside a number of jurors? In a few days an important trial will come on in my province, which has been tried twice already and in which the juries have disagreed. I understand that the Attorney General has decided to try the case a third time. The matter is not of very great importance, but it is one which has aroused a great deal of prejudice in the city of St. John, and it will be a very hard matter to get a juror selected who is not prejudiced on one side or the other.

Suppose the Crown were limited as this Bill provides, and could only stand aside 48 jurors. I do not believe that the trial could go on. I do not know anything about the merits of the case; I have no idea whether the defendants are guilty or not; I have no opinion to offer on that at all. I do know, however, that it has taken up two weeks of the time of the circuit court of St. John, and it is a matter of so much public importance that the Attorney General and the presiding judge have decided to try the case a third time during the present term of the court. Suppose that

this legislation passed and the right of the Crown to stand by was limited to 48. That would give 24 for each side, and I think it would absolutely prevent a fair trial.

The hon. member for Simcoe raised a question which showed, I am afraid, that the Minister of Justice is actuated by the same motives as my hon. friend, but that may be a violent assumption, and perhaps not quite fair to the minister. However, the hon. member for Simcoe, as usual, got his mind back to political matters. It is impossible for him to rise above a question of politics. He stated that there should be a limit to what the Crown could do for political purposes. I should like to know how many political trials there are in Canada in a year as compared with the ordinary trials in the administration of justice. I do not suppose there would be one in ten thousand. Therefore, when we change the criminal law of Canada, we are not changing it for political purposes. We are supposed to be enacting here a law for the better administration of justice in this country. Does the Minister of Justice believe that a change such as he suggests would tend toward a better and more honest administration of criminal law in this country? I would like the minister, when he replies—and I think he will be compelled to say something now before this legislation goes through—to say whether he can point in all his experience on the bench or at the bar, and with all his knowledge of the criminal trials of Canada, to a single case in any province where there was the least suspicion of unfairness, except possibly in some political trial. I have not had the experience in criminal matters that probably my hon. friend has had, but I have some knowledge of what has taken place in my own province, and I have never heard it suggested in my life that the Crown was actuated by any other motive than to see justice done. I believe that in every case the Crown gives the accused the benefit of every reasonable doubt. I also know that the amendment passed by the province of Manitoba was nothing new in this country, because practically every other province already had the law that Manitoba was enacting. By section 92 of the British North America Act it is provided that the legislature may exclusively make laws in relation to

> the administration of justice in the province, including the constitution, maintenance, and organization of provincial courts, both of civil and of criminal jurisdiction, and including procedure in civil matters in those courts.

[Mr. Carvell.]

Were it not for those last words I would say that this Parliament had no jurisdiction to pass this legislation. These words, however, may place it within our jurisdiction; the language is so broad and comprehensive. We know that the provincial legislatures have invariably provided as to the constitution of the grand and petit juries, and their right to do so has never been questioned. I have before me the laws of my own province, which go very much further than the law of Manitoba, against which my hon. friend complains, and against which he is introducing this legislation. Section 14 of Chapter 126 of the Consolidated Statutes of New Brunswick, 1903, says:

> The presiding judge, or the judge appointed to preside, at any Circuit or County Court, or the Attorney General, may, at any time, direct the summoning of a grand or petit jury panel, or of a new grand or petit jury panel, or of an additional petit jury panel, and may direct that the number of petit jurors so to be summoned shall be any number not less than twenty-one in the Supreme Court.

That is, in our province, not only the presiding judge, but the Attorney General of the province also, has the power to direct the summoning of an additional jury panel. All that the legislation of Manitoba provided for was that the presiding judge should have that power, and yet my hon. friend complains against that. Two or three months ago I looked up the legislation of Ontario and of the other provinces, and I found that practically every province in Canada except Quebec has exactly the same law regarding juries as Manitoba passed, and against which my hon. friend is moving this amendment. I again ask the Minister of Justice to point to a single case in this country since Confederation where any person has claimed that an injustice has been done by reason of the Crown exercising this right of stand aside. But outside of that, I say that the circumstances under which this legislation has been introduced into this House and the correspondence which has passed between the two Governments regarding it, make it of such a character that it ought not to be pressed. It is against the dignity of Parliament; it brings the whole criminal law of this country into disrepute; it makes a political football of the enforcement of the criminal law. If people who find themselves in trouble in a province in Canada think they are going to have a hard time getting out of it, and are allowed to come to their political party in Parliament and say, "For God's sake change this law and put these fellows where they

cannot prosecute us," what a condition of affairs we shall have in this country! Is the Minister of Justice willing to put himself in that position? I do not think so. I think before this legislation goes through the Minister of Justice will see that he is simply playing a game of politics, simply working for the benefit of men who at one time thought they were in trouble, but who now think they are clear, and who came to the minister as a political friend and asked him to do for them what they thought they could not get done by the courts of their native province. It is simply prostituting the powers of Parliament to pass this legislation. It is doing what this Parliament ought to be ashamed to do, and it is creating a precedent the end of which no man can foresee.

Mr. PROULX: I asked the Minister of Justice whether he had received any requests from the Attorney Generals of this country for this legislation and he answered in the negative. We are discussing a question of procedure. This Parliament has passed a substantive law, and the provinces fix the number of jurors to be summoned. In all the districts of Ontario the number of petit jurors summoned for each sitting of the General Sessions of the Peace is 48. I think there are very few instances in which it is necessary to have recourse to a larger number. I have never seen such a case in my district. If there are such instances, the attorneys general of the different provinces would know, and would be the proper persons to ask for this legislation. The Crown prosecutors make reports to the respective attorneys general, and if there were any necessity for this law surely the proper authorities would ask for it. The Minister of Justice has told us there have been no requests from attorneys general, and I submit there is no necessity for the adoption of this law.

Mr. McKENZIE: I did not intend to say very much on this subject. It has been very well threshed out by the hon. member for St. John (Mr. Pugsley), the hon. member for Pictou (Mr. Macdonald), and the hon. member for Carleton (Mr. Carvell). I knew the Bill was on the Order Paper, and that it was liable to come up at any time, but I did not expect it would come up to-day. A constitutional question has been touched here as to whether this Parliament has a right to say anything about the number of jurors who may be appointed to sit in a case. The British North America Act contains something on the subject, in enumerating the exclusive powers of this Parliament, among which I find subsection 27 of section 91.

> The criminal law, except the constitution of courts of criminal jurisdiction, but including the procedure in criminal matters.

That is, we have nothing to say about the constitution of the court, but we have power over procedure in criminal matters. I am very doubtful whether the number of jurors is a matter of procedure. My opinion would be that it is not. To lawyers procedure is the issuing of a writ, the number of days that must elapse between its issue and its service, the number of days for appearing, and so on. The manner in which proceedings are instituted in the criminal courts, and the notices that must be served on the parties accused, and how they are to be dealt with, constitute, to my mind, the procedure in the criminal court. I may be wrong, but as far as I am capable of judging I do not think the number of jurors that will sit in a court is a matter of procedure. It is a matter of substantive law.

Mr. NICKLE: The Bill does not touch the number of jurors.

Mr. DOHERTY: It only deals with the number of challenges.

Mr. McKENZIE: I understand the effect of this to be that the number of jurors permitted to be examined or rejected is limited by this legislation. The Minister of Justice shakes his head, but according to the old story, perhaps he ought to know there is nothing in it without shaking it.

Mr. DOHERTY: It is wonderful how many things we ought to know, but do not.

Mr. McKENZIE: The view I take is that the limiting of the number of jurors is interfering with the constitution of the court, and as far as I can bring any judgment of my own to bear upon it, it is a matter for the local legislature entirely, and not a matter for this Parliament. I would suppose that a gentleman of the experience and wisdom of the Minister of Justice would have taken some warning from the difficulties in which he found himself either directly or indirectly some years ago, since he became Minister of Justice, in connection with being a little too lax about the bars of the penitentiaries in political cases. We had a famous instance before the House some four years ago, where a gentleman appointed by the Government of my right hon. friend (Sir

Robert Borden) who when he was to receive the seals of office and to be appointed, was found to be in jail. Rather an embarrassing position, for which something had to be done. The office had to lapse or go to somebody else, or the bars of this gentleman's imprisonment had to be removed. Appeal was made to the gentle heart of the Minister of Justice, or to those who were acting for him at the time, and, of course, between the two things—the lapsing of a political appointment, or the defeating of the ends of justice—the ends of justice had to be defeated, and the creaking door of the jail or penitentiary was thrown open, and out came this man. At the door awaiting him was his office from the Government of my right hon. friend. There was a great deal of trouble about this, and there was some very severe comment made upon it. The Minister of Justice manfully accepted responsibility, but gave us to understand that it was not himself but somebody else, a member of the Government, who was acting for him, who was responsible for allowing this man out. However, it was such a condition of things as should be a warning to the minister that he would not any more willingly interfere in matters political. Now, not satisfied with interfering with the jail, he began to tamper with the jury. This to my mind is most extraordinary, and I hope he will draw the line here, or the next thing we will find is some provision by which he can tamper with the evidence, and with the judges. It has been said by the hon. member for North Perth (Mr. Morphy), I believe, that we are exceedingly proud of our judges, and of the administration of justice in this country. I am getting to be somewhat of an old lawyer now, and I have had a good deal to do with criminal law. I never heard, in my province at all events, anybody complaining that representatives of the Crown, either the Attorney General or his representative, ever did anything but what was highly in the best interests of the very best administration of justice. I would suppose that laws of this character would be provided when some case arose calling for the interference of Parliament, and if the Minister of Justice can show there has been some case where there was a miscarriage of justice by reason of the condition of the law in Manitoba, or in any other province, I may change my mind absolutely. So far, however, I have not heard of any, and so far I will be quite willing to adopt the good old Tory doctrine of "leave well enough alone." The law has been going along first rate as it was, and I think it is dangerous to be tampering with it, particularly when there is no necessity. It would be a sad reflection to believe for a moment that the Minister of Justice is trying to trim the wind to suit the shorn lambs in Manitoba.

Mr. DOHERTY: It would be difficult work to trim the wind.

Mr. McKENZIE: It would be sad indeed, but when the lambs have escaped, I think the tempering of the wind could cease with their escape. It does seem, in the air, that there may be more lambs to be shorn. Perhaps the wind is being provided for them. I hope not. I hope the minister will maintain the high position a Minister of Justice should occupy in this country, and show that the balance in his hand shall be even, and that, as far as the administration of justice is concerned, he is blind to everything but the proper functions of his office.

Hon. RODOLPHE LEMIEUX: I am surprised that a gentleman who has occupied the high position of a judge of the land should lend himself to the drafting of such a Bill, thereby degrading justice in our country. Every one knows the origin of this legislation. Some of the political friends of the Minister of Justice (Mr. Doherty) were brought before the bar at the criminal assizes in Manitoba. It was very difficult to find jurors to give a verdict in the very important cases that were brought before the court and the Government and Attorney General of Manitoba thought that the law should be amended so as to give the necessary power to find jurors, really to give justice to both the accused and society. We find the hon. gentleman intervening, at the instigation of whom I do not know, but whom everybody suspects. He comes before this House, without giving any explanation, and tries to pass legislation that reflects on the integrity of Canadian justice. I think this Parliament should at once mark its disapproval of such legislation and I shall move in a minute accordingly. It is strange, Mr. Speaker, that such complacency should be shown to the Manitoba politicians who have disgraced the public life of this country. They should be satisfied, as my hon. friend from Carleton (Mr. Carvell) said a moment ago, that a nolle prosequi should have had to be entered after efforts had been made to find a verdict against them. The other day I put a question to the Minister of Justice as to whether the goat, because poor Kelly was the goat,

was still behind the bars at the Stoney Mountain penitentiary. I asked the minister if it was true that petitions had been received asking for the release of Kelly. I received from my hon. friend an answer which makes me believe that before the general election is over Mr. Kelly will be scot free in Manitoba. In order that the public may know what kind of a game is being played, not only with politics, but with such a sacred thing as justice I shall move:

That all the words after the word "that" be struck out and the following substituted:
Bill No. 97, an Act to amend the Criminal Code respecting Jurors, be read this day six months.

House divided on the amendment of Hon. Mr. Lemieux, that the Bill be read this time six months hence, which was declared lost on the following division:

YEAS.

Messieurs:

Bourassa,	Macdonald,
Bureau,	Maclean (Halifax),
Cardin,	Marcil (Bonaventure),
Carvell,	Marcile (Bagot),
Delisle,	Michaud,
Devlin,	Murphy,
Fortier,	Nesbitt,
Gauvreau,	Papineau,
Graham,	Proulx,
Hughes (Kings, P.E.I.),	Pugsley,
Kay,	Ross,
Lapointe (Kamouraska),	Tobin,
Laurier (Sir Wilfrid),	Truax,
Lemieux,	Turgeon,
	Verville,
	Wilson (Laval).—30.

NAYS.

Messieurs:

Ames (Sir Herbert),	Hazen,
Armstrong (Lambton),	Henderson,
Arthurs,	McLean (Queens, P.E.I.),
Ball,	Meighen,
Bennett (Calgary),	Munson,
Bennett (Simcoe),	Nicholson,
Best,	Nickle,
Borden (Sir Robert),	Paquet,
Boulay,	Paul,
Bowman,	Rainville,
Boys,	Robidoux,
Brabazon,	Roche,
Burnham,	Schaffner,
Clark (Bruce),	Sevigny,
Clarke (Wellington),	Shepherd,
Cochrane,	Stewart (Hamilton),
Currie,	Sutherland,
Doherty,	Taylor,
Donaldson,	Thornton,
Edwards,	Walker,
Elliot,	Webster,
Fripp,	Weichel,
Girard,	Wilson (Wentworth),
Glass,	Wright.—50.
Hanna,	
Hartt,	

PAIRS.

Messieurs:

Burrell,	Douglas,
Middlebro,	Pardee,
Barnard,	McCraney,
Barette,	Seguin,
Clements,	Knowles,
Cockshutt,	Charlton,
Green,	Buchanan,
Kemp,	Robb,
Stewart (Lunenburg),	McKenzie,
White (Renfrew),	Gordon,
Chabot,	Beland,
Hepburn,	Guthrie,
Smyth,	McLean (Sunbury and Queens, N.B.),
Bradbury,	Cruise,
Crothers,	McCoig,
Davidson,	Carroll,
Morrison,	Molloy,
Marshall,	Neely,
Alguire,	McMillan,
Carrick,	Oliver,
Boyce,	Boivin,
Stevens,	Sinclair,
Cromwell,	Gauthier (St. Hyacinthe),

Mr. MACDONALD: I thought my hon. friend from Colchester (Mr. Stanfield) was in the House. I was paired with the hon. member, and I desire to withdraw my vote.

Mr. McKENZIE: I was paired with the hon. gentleman from Lunenberg (Mr. Stewart). Had I voted I would have voted for the amendment.

Mr. DAVIDSON: I was paired with the hon. gentleman from South Cape Breton (Mr. Carroll). Had I voted I would have voted against the amendment.

Mr. CLEMENTS: I was paired with the hon. gentleman from Moosejaw (Mr. Knowles). Had I voted I would have voted against the amendment.

Mr. BRADBURY: I was paired with the hon. gentleman from Dauphin (Mr. Cruise). Had I voted I would have voted against the amendment.

Mr. A. K. MACLEAN: I was paired with the hon. gentleman from Queens Shelburne (Mr. McCurdy). I did not know he was in the House. I should not have voted.

Mr. DOHERTY: If the measure of necessity for explanation be the extent of misunderstanding existing then most assuredly hon. gentlemen on the other side have demonstrated that explanation of this Bill was necessary. If it had not been for that extraordinary misunderstanding which their speeches have evidenced I would have thought that explanation was not necessary. It is said that in the tail is the poison. My hon. friend from Rouville (Mr. Lemieux) was pleased to be

the tail, and to inject the poison of imputation upon myself—condensed from suggestions of some other hon. gentlemen—which I venture to believe has had nothing in view but the necessity of trying to convert into a means of creation of political ammunition a measure intended simply to protect the rights of our citizens before the courts of the country, and to see that they were placed under the guarding protection of the court itself, which we have been reproached for not respecting. Hon. gentlemen and distinguished lawyers have spoken of this measure as changing the law as it operated throughout the country up to this date. In certain provinces the right of the Crown to challenge had been limited to a lesser number than forty-eight by legislation fixing the number of the panel, and that provision will be in force after this law shall have been passed. Hon. gentlemen from those provinces have not hesitated, with others who come from provinces where that limitation has not existed, to complain about this extraordinary change in the law that is going to degrade the administration of justice. The member for Laval (Mr. Wilson) a most distinguished practitioner in the criminal courts, and the member for Rouville (Mr. Lemieux) a former Solicitor General of this country, are of the opinion that a measure that will cause the administration of justice throughout the Dominion to be carried on as it has been carried on in their province and my province as long as I can remember, is a measure to degrade the administration of justice. Hon. gentlemen, would I think, do well to ascertain what the law is before they undertake to pronounce to what degree it is going to be degraded.

This Bill will create a uniform rule throughout the Dominion of Canada in regard to a matter of procedure in criminal cases which, admittedly, is a matter within the legislative competency of this Parliament. Hon. gentlemen say that it will degrade the administration of justice. Before the existence of the legislation enacted by Manitoba—which is not being affected in any way by this legislation—four out of the nine provinces of the Dominion limited the number of jurors that could be summoned upon a panel. In Quebec, as the member for Laval has pointed out, the general limitation is to forty, a lesser number than forty-eight, to which we propose to limit not the number of jurors, but the number of challenges. This legislation proposes to limit simply the number of challenges.

[Mr. Doherty.]

Mr. C. A. WILSON: No.

Mr. DOHERTY: I wonder if my hon. friend has read the Bill?

Mr. WILSON: The Bill reads:

Provided that the Crown may not direct any number of jurors to stand by.

That is not a limitation of the number of challenges.

Mr. DOHERTY: This legislation proposes to limit the number of stand-bys, but not to affect the number of jurors to be summoned. My using the word "challenge" was a slip.

Mr. CARVELL: In his notification to the Manitoba Government the minister said that unless they would agree not to enforce their legislation as to the number of jurors to be summoned, he would be compelled to disallow the legislation.

Mr. DOHERTY: I shall come to that and I shall give the truthful explanation. Although he once in a while speaks strongly, when the exigencies of the case require it, I look upon the member for Carleton as a fair-minded man and a competent lawyer. I am sure that the reasons for the proposal of this legislation will appeal to my hon. friend as they should appeal to any man desirous of seeing that absolute fairness is maintained in the administration of the criminal law as between the Crown and the accused. This legislation puts in the hands of the court the protection of that absolute fairness, yet it is suggested that the measure is intended to reflect upon the judiciary of this country. But the measure leaves the judge to determine the number of challenges, just as the legislation of the province of Manitoba left to him the determination of the number of jurors to be summoned. This legislation is not defeating the legislation of Manitoba; it is simply carrying that legislation out to its logical consequence. The legislation of Manitoba is that the judge is the proper person to determine the number of jurors; this legislation is that under those circumstances the judge is the proper person to determine the number of stand-bys that the Crown is to have. It was brought to my attention that the legislation of Manitoba had created a situation where a judge might order a panel of a very large number. I have never suggested, and I do not now suggest, that that legislation in itself was either unconstitutional or undesirable—mark you, I say in itself. My attention having been drawn to the subject by the legislation of

Manitoba, I ascertained that there existed in five other provinces legislation of the same kind under which the panel might be made to consist of an indefinite number. Again I say that I do not find in that any evil—in itself. I am free to confess, however, that that condition of the law came to me as a novelty. I, like the member for Laval, and the member for Rouville, come from the province in which, according to the member for Rouville, the administration of justice has been degraded from time immemorial because the number of stand-bys was limited through the fact that the number of jurors that could be summoned as a panel was fixed by law.

Mr. CARVELL: My hon. friend surely does not mean to intimate that in Quebec the Crown does not have the same right of standing jurors aside as it has in other provinces, and surely there must be some provision in Quebec to provide for an additional panel if an additional panel becomes necessary.

Mr. DOHERTY: Undoubtedly.

Mr. CARVELL: Then, what is the difference between Quebec and the other provinces?

Mr. DOHERTY: I said that the number of stand-bys was limited in Quebec as it was previously to its recent law limited in Manitoba, and as it still is limited in two of the other provinces. It was limited by the fact that the provincial legislation made the panel a fixed number. Take it for instance in the district of Montreal. I am not suggesting that the Criminal Code limits the number of challenges in Quebec more than anywhere else, but I am pointing out what is the practical working of the combination of the law in a province which limits the number of the panel, and the provision of the Criminal Code as it now stands.

Mr. CARVELL: I am not acquainted with Quebec law, but there surely must be in the Quebec statute some provision authorizing a panel in excess of forty under certain conditions.

Mr. DOHERTY: Certainly, there is. That is to say, you can summon another panel, but you will not take the two panels and add them together and go on "standing by" indefinitely.

Mr. CARVELL: What is the difference?

Mr. DOHERTY: You cannot do that. You have a panel of jurors. There they sit —those sixty men. Under the Criminal Code, the Crown may stand by every one of them, but after it has stood by sixty men, then you go back again and call those same jurors, and unless the Crown can assign special reasons, then the man that the Crown stood by half an hour ago, sits on that jury. The effect of permitting an indefinite number of jurors to be summoned is that the court may for perfectly justifiable reasons say: There is a tremendous quantity of business before this court at this term; I will order the summoning of 250 jurors. That may be perfectly right and absolutely justifiable, but what is the effect that it produces if our Criminal Code be left to stand as it is? It produces this effect: That the Crown, without the assignment of any reasons, may stand by 250 men. I do not say that the Crown will abuse that power in any particular case, but I do say that that is an exorbitant power to put into the hands of the representative of the Crown. That is the evil, and may I venture to say to hon. gentlemen who have been so severe about the degradation of the law, that from a very early period it has been pointed out as being one of the methods by which a dishonest or even a zealous Crown prosecutor may deprive the citizen of the practical benefit and advantage of being tried by a jury, tried by his peers impartially selected.

We have to protect and to surround the subject with such safeguards as will withdraw from the representatives of the Crown, instruments susceptible of being abused to the unfair detriment of the accused. What is trial by jury for? Trial by jury exists as the bulwark of the liberties of the individual citizen as against possible abuse at the hands of the Crown. If you put, as the condition of this combined legislation does, into the hands of the Crown the power of taking a large body of individuals and "standing by" an indefinite number, you put into the power of the Crown to select and find for itself jurymen that the Crown may believe are absolutely to be relied upon to produce a verdict to its own liking. Perhaps it might be more correct to say that the more you increase the number of men from whom the Crown can, by this process of elimination, select the twelve that it wants, the more you increase the opportunity for the Crown to find a jury exactly to its liking.

Mr. C. A. WILSON: What becomes of a juror who has been ordered to stand aside?

Mr. DOHERTY: The juror who is ordered to stand by, stands by. He does what he

is told. He does not go away; he stays until called.

Mr. C. A. WILSON: Until when?

Mr. DOHERTY: Until the panel is exhausted, and then the Crown begins over again and will have to call that juror.

Mr. C. A. WILSON: And then he goes on the jury.

Mr. DOHERTY: Yes. That is why I say that if you summon sixty jurors the time will come a great deal quicker when the Crown will have to take the man it "stood by" than if you summon 250 jurors.

Mr. C. A. WILSON. No.

Mr. DOHERTY: If your panel be 250 jurors, as it may be, supposing I am the first man of the 250 and I am ordered to stand by, the Crown will have to call, and stand by the other 249, if it likes, before it will have to come back and call me again. Therefore, if I am the first man of sixty the chances of the prisoner to compel the Crown to call me, notwithstanding its "stand-by," are immensely greater than they would be if I am one of 250. The matter is so obvious that I need not elaborate it. That was the situation created not alone by the legislation of Manitoba as combined with our provision in the Criminal Code, but that was a situation that existed as regards five of the nine provinces before the legislation in Manitoba.

Mr. MACDONALD: Does the minister say that in any province in the Dominion, at the opening of any court, there have been provided 250 jurors who might be stood aside?

Mr. DOHERTY: I do not know of a case in which there were 250 jurors. What I am pointing out is that the legislation makes it possible for that number to be summoned. Why is this discretion given to the court? I am making no complaint against legislation which empowers the judge to summon the necessary number of jurors, because there may be conditions that require it, as in the particular case that was referred to.

Mr. PUGSLEY: The minister says that discretion is given to the court. Is any discretion left with the court when their powers are limited by reason of special cause having to be shown?

Mr. DOHERTY: There is discretion in the determination whether there exists the special cause.

[Mr. Doherty.]

Mr. PUGSLEY: That is not discretion; it is finding as to the fact.

Mr. DOHERTY: The hon. gentleman will observe that this clause does not define any particular fact or facts which are to be found as justifying it; it leaves that for the court itself. I think my hon. friend will realize, if he thinks it over, that he did not grasp what the requirements of special cause are. He spoke as if special cause meant special cause why an individual should be set aside. What the law requires, is special cause why in a particular case the Crown should be given greater latitude than 48.

Mr. PUGSLEY: What would be that cause?

Mr. DOHERTY: I was coming to that. The hon. gentleman, in giving an illustration where this would work badly, described a case providing precisely the special cause that would justify the change. He spoke of a case where on account of strong public feeling there might be very great difficulty, indeed, in getting a fair and impartial jury. He thought there might be danger of not getting a fair trial if the number was limited to 48. Now the provisions about extending the number are pretty much on the same footing as the provisions under which a court can order a change of venue.

Mr. CARVELL: Then what is the necessity for this legislation?

Mr. DOHERTY: Under the present legislation a judge, even if he thought it was an outrage and there was no reason for it, would have to sit back impotent on the bench and see the Crown stand by 150 men. This legislation is to place in the power of the judge the opportunity of seeing that no abuse occurs, and I may say that in endeavouring to give power to the judge to prevent abuse I have this afternoon brought on my own devoted head a torrent of about as unjustifiable abuse as I think it ever was my misfortune to listen to. There is no use in my protesting what my motives are.

Mr. CARVELL: You are on record.

Mr. DOHERTY: There are minds so constructed that if there are facts and circumstances that make it possible that a man might have acted on a vile motive, those minds immediately conclude to the vile motive.

Mr. PUGSLEY: Who is the minister hitting at now?

Mr. DOHERTY: I say that the viler the mind the more readily does it conclude, to the vile motive, and I leave it to hon. gentlemen opposite to decide as between themselves the respective degrees of vileness of motive that have been attributed to me, and then they can determine for themselves the respective degree of vileness of their own minds.

Mr. PUGSLEY: The minister is waking up.

Mr. DOHERTY: We have heard some talk about the administration of justice. I ask you, Mr. Speaker, if it is going to be possible for a Minister of Justice in this country to endeavour to put before Parliament the measures which in his judgment are necessitated in order that justice may be done if, when he does that, whether he be right or wrong, he has to run the gauntlet of this sort of imputation? May I ask you what difference it makes whether my motives be as vile as even the vilest of minds can conceive, or whether they be worthy of the purest of celestial beings? Either this measure is right, or it is wrong. I am prepared to meet hon. gentlemen upon the question of whether it is right or wrong, and I am prepared to ask hon. gentlemen, who are proud to describe themselves as Liberals, what fault they can find with this measure. Of course, they can find faults in me—lots of them. Anything that their minds may conceive as discreditable they can get up here and impute to me, and, with all respect, it leaves me pretty indifferent.

But I ask them to deal with this measure. What is the matter with the measure? Do they think it desirable that we should maintain a condition which puts into the hands of the representatives of the Crown this exorbitant facility of finding a jury just to suit themselves? Let me in all frankness point out that to-day at all events there are no political friends of mine at stake. Of course, there have been things in the course of my not very prolonged political career that have been of a nature to make me sick—there is no other way in which I can describe it—and the performance this afternoon is the worst of all.

Mr. PUGSLEY: I could not hear what the minister said.

Mr. DOHERTY: If the hon. gentleman desires that I should repeat it—I said that there had been things in the course of my not very long political career which I can describe in no other words than to say that they had made me sick, and I have experienced nothing that has been more of that nature than what has taken place here this afternoon. We, the representatives of the people of Canada—most of those who have spoken being distinguished members of their profession—are here concerned with the question whether a certain method of procedure is or is not calculated to give to the citizen the full protection intended to be given to him by the system of trial by jury. And what have we discussed, or rather, what has been put forward as a subject of discussion? Hon. gentlemen opposite have vied with each other in finding the vilest motive they could impute to the Minister of Justice. If for one moment we assume that every motive that was attributed to me actually existed, how much further are we advanced upon the question whether it is a proper thing that the Crown should have this extraordinary and exorbitant power of control over the complexion of the jury that is to try the citizen?

I have said that this notion was not born in my brain—though I must say that the thing coming to me, a man who has grown up under a system where the Crown could challenge but 60, because the panel at it disposal was 60——

Mr. C. A. WILSON: Is there any country within the British Empire that has limited the number that can be stood aside? My information is that for centuries back the privilege of the Crown in this respect has not been restricted to 48 or any other number.

Mr. DOHERTY: May I give the hon. gentleman a little history? It is a pity we should have to go so far back to determine whether it is desirable or not——

Mr. CARVELL: It is an important change in the criminal law of the country.

Mr. DOHERTY: Have I not made it clear yet that as regards the operation of that section of the Criminal Code it did, up to the enactment of this legislation by Manitoba, operate one way in four provinces, and operate in a different way in five provinces? What we are doing here—

Mr. PUGSLEY: Did it not in all the provinces? Did not the right to "stand by" extend to the whole panel, whatever it was?

Mr. DOHERTY: It extended to the whole panel, whatever it was, and it extended no further than the panel. Therefore, in provinces that limited the number of the panel, the number of stand bys was

limited to the number of the panel. In provinces that provided for an indefinite panel, you had a situation that wherever the judge thought a large number of jurors should be summoned, perhaps because there was an extraordinary number of cases, the practical result was that in each one of that large number of cases, the Crown had this indefinite advantage at least up to the full extent of the number the judge might admit the summoning of, because of this right of stand by.

Sir WILFRID LAURIER: What is wrong in that? It is the panel.

Mr. DOHERTY: But the question is, is it desirable that for the purposes of "stand aside" the Crown would have the right to apply it to an exceedingly large number? Just in proportion as you increase the number of the panel you increase the advantage to the Crown resulting from "stand by." This custom of "stand by" grew up originally as an abuse. That is the way it found itself in the common law. One of the things that was done after the revolution of 1688 was to seek to curb the right of the Crown to control the nature of the jury, and whereas previously the Crown had had practically an indefinite right of challenge, it was by legislation absolutely limited to the right of challenge for cause, and practically the way the "stand aside" came into existence was that the Crown said "well, I can only challenge for cause, but I will stand you aside until I make up my mind." That was the origin of it, and this original abuse came to be accepted and to be recognized, but it was, even at that early date, recognized as a tremendous engine of possible abuse. It is material to the answer to my right hon. friend's question that I should say that while you could not find a statute fixing the number of the panel, nevertheless the accepted panel—the panel that in practice was summoned—was forty-eight jurors. That is the way Manitoba got her forty-eight, and, as an hon. gentleman from Ontario pointed out this afternoon, it is so in Ontario, where, though by statute the judge may order an indefinite number, the practice is to summon forty-eight.

Mr. CARVELL: We have only twenty-one in New Brunswick.

Mr. C. A. WILSON: What is the number in Manitoba?

Mr. DOHERTY: The number in Manitoba was forty-eight, until this legislation was enacted; that is to say, it was forty-eight in the Winnipeg district and a smaller number in the other districts of the province. I do not recall the exact number.

Mr. CARVELL: Thirty-six.

Mr. DOHERTY: That was the situation up to the enactment of the legislation in Manitoba. Four provinces limited the number of the panel, and our Criminal Code, working in view of that provincial legislation, in effect provided the number of "stand bys" up to forty-eight, or up to sixty in Quebec, and left the Crown under the obligation, after that many had been made, of taking the men that were on the panel, unless it could indicate a reason why they should not be taken. Under the law of the provinces that permitted an indefinite number, whenever a judge ordered an extraordinarily large number—and he might do it for perfectly legitimate reasons—by the simple combination of the two laws the Crown that in Quebec could "stand by" sixty at most, and in Manitoba, up to that time, could "stand by" forty-eight at most, and that in other provinces could "stand by" a lesser number, became by the change of the legislation—whenever a province changed its legislation in that sense—entitled to "stand by" whatever number the court had seen proper to summon because it had a large number of cases to deal with. Now, in all fairness—I leave it to all fair men in this House, lawyers or laymen, as to whether that is a desirable situation in a country which boasts of its inheritance of British institutions, and boasts of none more than its inheritance of the system of trial by jury.

Mr. MACDONALD: What is the trouble now?

Mr. DOHERTY: The hon. gentleman does not see the trouble yet?

Mr. MACDONALD: No.

Mr. DOHERTY: The existence of that state of affairs was something that caused me to believe that the essence of the advantage of trial by jury is destroyed when you leave in force a system which makes it possible for the Crown to find its own jurors. I would not wait until somebody had come to me and said, "There is a man who suffered from a possible injustice; now is your time to remedy it." There is an old adage about the folly of locking the stable door after the horse is gone. I thought I would lock the stable door while the horse was still there; and that is the very head and front of my offending.

Mr. CARVELL: The horse was there when you started to lock the door, but he got out.

Mr. DOHERTY: I am not aware of what horse the hon. gentleman refers to.

Mr. PUGSLEY: What does the minister refer to?

Mr. DOHERTY: I have done with any discussion on questions of motives. I leave the hon. gentlemen to their vile motives—

Some hon. MEMBERS: Order, order.

Mr. DOHERTY: —to get along together as well as they know how. We cannot, in this civilized Canada, in Parliament, discuss a question of what is the best system of trial by jury without hon. gentlemen seeking to interrupt even explanations by coming back to the old stories.

Mr. McKENZIE: I rise to a point of order, because it is well that a precedent should be established. I do not think it is competent for a member of Parliament to speak of his fellow members in debate in this House as having vile motives. The minister says we are left to our vile motives. I want to know if that is permissible in this House.

Mr. SPEAKER: It is six o'clock, I shall give my ruling when the House resumes.

Mr. DOHERTY: I said that hon. gentleman had attributed to me vile motives.

Mr. CARVELL: Oh, no.

Mr. DOHERTY: If I am mistaken hon. gentlemen will correct me. I congratulate the hon. member for St. John on his devotion to the exactitudes.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. SPEAKER: At six o'clock the hon. member for North Cape Breton and Victoria (Mr. McKenzie) rose to a point of order with respect to the remarks made by the hon. Minister of Justice. As I understood the position and the language of the hon. minister at that time, it was that he was complaining that motives had been attributed to him by some hon. members, and that if they could be properly attributed to him such action on his part would be vile. But, in order to make it perfectly clear, I have examined the transcript of the Hansard reporters' notes, and I find the following:

Mr. Doherty: I have done with any discussion on questions of motives. I leave the hon. gentlemen to their vile motives.

In my judgment the language is not parliamentary, and ought to be withdrawn.

Mr. DOHERTY: I bow to your ruling, and withdraw the particular words as they appear in Hansard, with all the greater pleasure, because I had intended to say what you, Mr. Speaker, stated that you understood I intended to convey. I notice that the words appear in Hansard "vile motives". In speaking of their "vile motives," I may say that all that I had in mind was the motives they attributed to me, and if any hon. gentleman thinks it of sufficient importance, if he will look back to what I did say, he will see that I had imputed no motives to anybody. What I intended to say was that I had done with this question of motives, the question being the motives attributed to myself, and that I was quite willing to leave the hon. gentlemen who had imputed these vile motives to me, which I may say they had elaborated, out of their own inner consciousness, to digest the vileness attributed to me as best they might. At any rate, perhaps they may find it more easy to digest, as we have had our dinner.

If we may come to the real question which, while it is important—I should not have introduced it if I had not thought it was important—it is certainly very different from what hon. gentlemen seem to understand it to be. I stated before the House rose at six o'clock that the idea that the extension of a panel to a very large number, carrying with it, as it would if our law be not amended, the right to "stand by" a very large number, was of a nature to work injustice to the accused, is not original with me. I have before me the history of things that happened in the past, and I will cite what Hallam says in his Constitutional History. He is dealing with the difficulties that arose in the fair and just application of the system of trial by jury, and he points out that prior to the revolution it had been the practice of the Crown, not merely to stand aside but to absolutely challenge, without giving any reasons, any number of jurors, and that this situation was found to be so abused that there was express legislation, even under Charles I, restricting the right of the Crown to challenge, to the right to challenge for cause. Even under that legislation the Crown sought to enlarge its privileges by claiming to reserve its challenges until all the panel had been called, and that is the ori-

gin of the "stand by." And, though, at the outset, it was merely a claim on the part of the Crown justified by no provision of law, and in fact running counter to the special provision which prohibited the Crown's right to challenge to the challenge for cause, it was nevertheless persisted in until, from being an abuse at the outset, in virtue of the continued practice it was accepted and acquiesced in. Speaking of the methods which, even after the revolution, were resorted to in order notwithstanding the provisions of the law to give undue advantage to the Crown, he points out two means by which the Crown sought to control the trials, namely by the sheriff selecting a panel known to be favourable, or by punishing the jurors by fine or imprisonment if they failed to give a desired verdict. After the revolution, a third means was employed, namely of enlarging the panel, in some cases to more than 200, and making use of the Crown's right of standing aside in order to pack the jury. Prior to the revolution the panel appears to have been limited in practice to forty-eight. Then he goes on to speak of the right of challenge by the defence, with which we are not concerned. By the common law, the King might challenge peremptorily without being limited to any number. This was regarded as unfair to the subject, and it was enacted by 33 Edward I, chapter 4, that none should challenge for the King except for cause certain, and this also is re-enacted by 6 George IV, chapter 50. The practice, as I mentioned a little while ago, appears to have grown up for the Crown to withhold its reasons for challenging until the whole panel was exhausted. A strenuous effort was made in several cases to upset this practice, and to compel the Crown to assign a cause at the time of challenging, but without success. The case of O'Coigly and others is notable in this regard. Counsel there pointed out that the authority for this practice was Staunford, who had set it up in his Pleas of the Crown. Hale and Blackstone appear to have adopted this opinion, and the practice became general.

There is the origin of the "stand aside." It originated in what, at the time of its beginning, was certainly an abuse, but it seems to have been acquiesced in and accepted, and I am not criticising—although I might desire to criticise it—so long as its scope is kept within definite limits, as it is and was in our law in all these provinces where a limited panel is provided. The attempt by the Crown in any province to

[Mr. Doherty.]

resort to the means which I have already referred to as having been employed on the part of the Crown to control trials, namely, the enlargement of the panel in some cases to more than 200, I do not interfere with, but this latter consequence of it, making use of the Crown's right of standing aside in order to pack the jury, will not be permitted. It is not necessary, in order to justify this legislation, as I was called upon to do, to point out cases where that power has been abused. It is, in my judgment, sufficient that it should appear, as it clearly does appear, that the condition of the two legislations as they stand—the provincial legislation, not only in Manitoba but in four of the other provinces, and our Criminal Code legislation—combined, make that abuse possible. In my judgment it is the duty of one in my position, when it is brought to my attention, that under existing laws there is room for abuse, to look for and apply a remedy.

Moreover, I desire again to call attention to the fact that this legislation does not propose absolutely to limit the right of the Crown to stand aside; it leaves that right absolute up to the number of forty-eight jurors. Inasmuch as under the existing law the number may be very much greater—I am informed that in one instance the number was 150; that may have been justified by the exigencies of the business before the court—this legislation simply puts under the control of the court the right of the Crown to proceed to "stand by" a greater number than forty-eight. It seeks to correct the above that is possible under existing conditions, but not by absoltuely withdrawing the exercise of the right of standby for a greater number. I quite recognize, as pointed out by the member for St. John, that there may be conditions and circumstances under which the right ought to be exercised for a greater number. But under this legislation, that is left to be determined not by the Crown alone but by the judge who sits there as arbiter to see that everything is conducted fairly between the Crown on the one side and the accused on the other. This legislation merely throws an additional safeguard around the liberty of the subject, and does it without imposing any undue restriction upon the Crown. The Crown, when it has reason for doing so, can always address itself to the judge; and if we all have that confidence which hon. gentlemen have expressed in the judiciary, we may all feel assured that the judiciary in dealing with an applica-

tion of that kind will not lean unfairly against the Crown.

Something has been said about the fairness of Crown prosecutors. In my experience I have found that they have sought to act fairly. But I am free to admit also that in the course of my practice I have observed cases where I thought that there was a perfectly honest but still an undue zeal on the part of a representative of the Crown. These things may happen. The men who represent the Crown are human, as other men are. I think any lawyer will concede that one is apt to be carried a little further when he is interested in a case, whether it be for the prosecution or for the defence, than he would where he was not charged with the maintaining of one side rather than another. No fair Crown prosecutor, I am sure, will complain because he is limited in his number of " stand bys " to the number that the judge may think fair and just under the circumstances. After all that has been said this afternoon about motives, it may not be unfair to any one to say that all of us are sometimes under the influence of very honest and very strong convictions; under the influence of passion that may be aroused under particular circumstances; and disposed, if left with absolute power, to exercise that power to its extreme limit. While I fully recognize the fairness of the body of Crown prosecutors in general, still, under certain conditions, popular passion in a community may be aroused to a great height over some question—perhaps a political question; perhaps a question where racial feeling plays a large part; perhaps a question where religious prejudice plays a large part. As one member of that community the Crown prosecutor is liable to be swayed by those feelings just as many absolutely honest men are swayed by them. What can be the objection, under those conditions, to putting such restraint upon the Crown prosecutor that he shall not be entitled to go on indefinitely ordering men to " stand by " with the result that he is enabled, where the panel is very large, practically, in the words of Hallam, to pack the jury? Why should he not be subjected to the check of submitting to the judge the question whether he should exercise that power beyond the number to which he would have been limited in Manitoba before this legislation; beyond the number which at common law by practice—not as a matter of law—was the usual number of a panel; beyond the number which in the province of Quebec and in two otner provinces he is to-day limited? I ask the hon. gentlemen for the moment to forget this discussion about motives. Let them, if they like, remain with their belief that my motives are very bad; but let them look at the law. Are they going to vote against this additional protection to the liberty of the subject—which in no manner hampers the Crown or its representatives in the performance of their duties—which leaves it to the court to determine when and under what circumstances the right of "stand-by" shall be exercised beyond the number to which it was limited, though not by the terms of the Criminal Code, both at common law by the practice and under the statutes of all those provinces which fixed a limit to the number of jurors? I think the amendment speaks for itself.

I should like to say one word about the interchange of correspondence between this Government and the Government of Manitoba. It is not absolutely germane to the question whether this Bill shall be read the second time, but it may throw some light upon my awful motives. As the matter has been gone into I should like to rectify some statements that have been made, in good faith, I am sure, but as the result of imperfect examination of that correspondence. Those statements, I think, found some justification in the unfortunate misapprehension on the part of the Government of Manitoba of what was intended by the first communication addressed to them. What brought to my attention—let me admit, to my knowledge; because I had not known of it before—the fact that under any of the provincial legislations the evil that I have pointed out was possible, was the legislation of Manitoba which introduced, so far as that province was concerned, this power on the part of the judge indefinitely to extend—subject, of course, to his discretion—the number of jurors to be summoned. As I said before recess, I lived my life, and I practised my profession, and I sat upon the bench, in a province where no such abuse could be possible, because we had a fixed, limited panel of jurors, and I frankly admit that when, with my preconceived notions, I read that statute of Manitoba I was shocked. I thought that legislation was going to create a possibility such as I have pointed out, and, although it may be an awful confession of ignorance to say that one does not know all the laws of all the provinces of this Do-

minion, I did not know that similar legislation existed elsewhere.

Mr. PUGSLEY: The minister never heard of any evils resulting from it in those four provinces?

Mr. DOHERTY: The fact that the possibility I have pointed out should exist is, in my judgment, a very grave evil. I do not think that we should leave the security, which should be assured to the subject by the system of trial by jury, fairly administered, open to possible abuse. I have not investigated to ascertain whether there have been abuses in the other provinces, but so far as my inquiry goes—and it has been confirmed by what has been said here this afternoon by hon. members from other provinces—I find that, while the law left it open to fix a very large number of jurors, in practice, that has not been done, and therefore the opportunity for any abuse in the exercise of the right to stand by has not, to my knowledge at all events, and from the information I have gathered this afternoon from hon. members familiar with conditions in other provinces, arisen. But I think we ought to make that abuse impossible. I was confirmed in the view that we ought to do that by what is found in the citations I have made. I do not contend that there was on the part of the province an intent to work things unfairly. I have pointed out an evil that may result. May I point out a good that may result? While I was shocked at the possibility of that abuse happening, it did not occur to me that that legislation had been passed in Manitoba having in mind the provisions of the Criminal Code and for the purpose of enabling the Crown to do anything unfair in criminal cases. If hon. gentlemen will read my report to Council which was communicated to the Manitoba Government, they will see that I was at pains to point out and to recognize that the Provincial Government might perfectly properly, for its own purposes, think it desirable to create this power of summoning a larger number of jurors. But I proceeded to call their attention to what might happen in criminal cases, when they took place, by reason of the provision in the Criminal Code. I did go on to indicate what in my judgment were the objectionable features of that possibility. I concluded by suggesting—and I believed that all I had to do was to make the suggestion to get the assurance—that any steps on my part looking towards a consideration of the question of disallowance might be obviated by the assurance, which I thought would come without a moment's hesitation, that the Crown in Manitoba did not purpose using that law in that way and for that purpose. I do not want to criticise the Government of Manitoba. I did not think they had passed that legislation for that purpose; I do not think so now, and I never suggested that I did. I did not, as was stated this afternoon, threaten disallowance if they did not give that assurance. I said that, is such an assurance were given, it would not be necessary to consider the question of disallowance. That represented absolutely what was in my mind, and I had not given consideration as to whether the legislation ought to be disallowed or not. The only reason for mentioning that was that it was the only remedy open if one on consideration came to the conclusion that it was necessary to exercise it, and was the only matter in connection with which it was open for me to communicate with the Government of Manitoba. Much to my surprise, and also to my regret, the Manitoba Government seemed to take this representation as implying some imputation upon their good intentions. They furthermore seemed to have conceived that my action was based upon some suggestion of unconstitutionality of their legislation. Not only did I not take the position that it was unconstitutional, but if I mistake not I even said that my action did not rest upon any such contention. While that is true, I want to say that it is not as absolutely clear to me as it is to the hon. member for Pictou (Mr. Macdonald) that the legislation is constitutional. I think there is room for discussion as to whether the number of jurors forms part of the constitution of the court or is properly meant to be governed by the Parliament that has authority over criminal procedure. I did not, however, advance an opinion upon that subject, and I am not doing so now. If I had thought that was unconstitutional, there would be no reason in the world for me to suggest disallowance, because if it were unconstitutional, anybody affected by it had his perfect remedy before the courts. Therefore, I did not rest my position upon the unconstitutionality of the legislation. But I may point out that, as appears by the citation of the hon. member for Pictou, the late Hon. Edward Blake entertained doubt upon the constitutionality of legislation by a province fixing the panel.

Mr. MACDONALD: He did not ask them to amend it or to suspend its operation.

Mr. DOHERTY: No, but if the hon. gentleman will remember, Hon. Mr. Blake expressed his doubt, but he said: Inasmuch as similar legislation in another province had been passed and not questioned, I do not find it necessary to question it. I do not go further than to say that Hon. Edward Blake expressed a doubt, and I go no further than to say that I have a doubt.

Mr. MACDONALD: And he did not interfere.

Mr. DOHERTY: Neither did I.

Mr. MACDONALD: Oh yes.

Mr. DOHERTY: I think, however, I might, after the somewhat animated discussion we have had, be allowed to make my explanation of the matter as it presents itself to my mind. I am not asking hon. gentlemen to part with those ideas of theirs of evil intent on my part; they are at liberty to keep them. But it is fair to the House and to the public, to whom I presume the observations of this afternoon will go—if indeed it was not to the public that they were specially addressed—that they should have my statement of what I did do and of the motives that inspired me.

As I have said, my intervention did not rest upon any unconstitutionality of the legislation. My intervention was the result of my belief that the authorities of Manitoba, having no motives of that kind, having no desire to use the legislation unfairly, would have simply said, as I myself would have said: "I have no idea of that kind; I will undertake not to extend my 'stand-bys' in any unfair way by reason of the change in the law." However, they entertained a different view. I regret that they took offence. I had intended to impute no evil motive. I thought it unnecessary that they should have entered into a discussion of the constitutionality of their law, which I did not question in my report, and I so replied. I then gave consideration to the question whether disallowance was a proper remedy. I came to the conclusion that it was not a proper remedy, and therefore I did not recommend to disallow. But I did proceed to do what from the very first I had pointed out what I thought was the proper remedy, namely, to propose to amend the law so that the abuse which was possible under it might be rendered impossible.

The hon. member for St. John did make some observations in criticism of this law. As far as I could follow the observations of other hon. gentlemen, they were largely, if not entirely, in criticism of myself.

Mr. C. A. WILSON: Not as far as I am concerned.

Mr. DOHERTY: I had forgotten; I admit that the hon. member did not criticise me. The hon. member for St. John did point out some things which he thought were objectionable in the law, and I trust that I have made clear to him that the consequences which he apprehended need really not be apprehended. Perhaps he did not exactly grasp the effect of the provision with respect to special cause justifying a further extension of the right of "stand aside" beyond 48.

The hon. member for Carleton, if I followed him correctly, expressed the opinion that in itself this was rather a good law, or, at all events, it might be a good law to pass at some other time. If the hon. member is satisfied that it is a good law, then the good time to pass a good law is now. If this is a good law and gives a protection that ought to be given to the liberty of the subject, I do not think we should consider it a thing that it is not worth our while to deal with now.

Mr. PUGSLEY: I do not think any hon. gentlemen on this side of the House have spoken very warmly in favour of this legislation.

Mr. DOHERTY: I only mentioned the hon. member for Carleton, who I understood to say—and I think I am citing his language correctly—that it might be a good law to pass at some other time. I did not affirm that he said it was a good law.

Mr. CARVELL: I said it was debatable whether it was a good law to pass at some other time.

Mr. DOHERTY: I am convinced that it is a good law. I do not know whether I have convinced the House, but I have given my reasons for thinking so, and it is because I believe it to be a good law that I am asking to have it passed.

When I decided that this law ought to pass, I was not blind to the fact that because of a combination of circumstances there might be persons—I wish to use no offensive words—who would say that because it was done at that time it was done for the reason that has been given this afternoon. I think I would be a very cowardly man—and whatever else I may be, I am not a cowardly man—if because introducing a good law at a particular time exposes me to the sort of language that I was subjected to this afternoon, I hesitated to introduce it. I would have failed

in my duty, believing it to be a good law, if I had been frightened out of introducing it because I might be attacked in the way I was attacked this afternoon, and most assuredly I shall not be frightened out of pressing it by that sort of language that was indulged in. I am quite prepared to take the judgment of the public upon my motives, and upon the question how far this legislation is a degradation of the administration of justice. May I, without offence, say that the very wildness of the language used in attack upon myself is to my mind the clearest demonstration that there is nothing to be said against the law.

Mr. ROSS: Has any complaint been made to the minister by law societies, crown prosecutors, or the legislatures of the provinces, as to the old law working out oppressively?

Mr. DOHERTY: None at all. The hon. gentleman talks about the old law. I might point out that there was not any one old law prevailing throughout the Dominion.

Mr. ROSS: I mean the present law.

Mr. DOHERTY: The law to-day is not uniform throughout the Dominion, and there could not have been complaints from my own province of the evil of which I am speaking, because the legislation of my own province safeguarded the accused against that very evil. There might have been, as regards the other provinces, where it was within the power of the judge to order a large panel, but as I said some time ago I have not been given instances of the evil, and I have not acted upon reports of that kind. In my judgment, when you find that a law, particularly a law upon which depends the protection of the liberty of the subject, is open to abuse which may be absolutely prevented without doing injustice to anybody, then is the time to amend that law.

Let me point out an evil that comes from the existence of the possibility of abuse. If the abuse be possible, there will be many times when it will be imputed to those who have the administration of the law. If this unlimited power be in the hands of a Crown prosecutor he may in cases where he is exercising it for the most excellent reasons have imputed to him improper motives, just as I have experienced this afternoon. That is most undesirable and this legislation is to remove that possibility, while at the same time it leaves the Crown prosecutor all the rights he ever had, subject to the control of the court.

[Mr. Doherty.]

In reference to the very matter that has been referred to in Manitoba, I do not impute any evil motives to the legislation that was introduced nor to those who proceeded to carry it out. But, unfortunately because that legislation made abuse possible, and because certain cases did arouse a great deal of feeling, there was an element in the public who said that the legislation was brought down to enable the Crown to resort to that abuse—that it was done expressly to get at political adversaries. I do not believe it, and it was unfortunate that any of our population should think that. It was unfortunate that the modification in the law that made that possible should have synchronized with the approaching political trials. Under the amendment I propose, there will be no room for a suggestion of that kind, and we shall attain the very great good I have described.

In conclusion, in view of what has been represented as being the nature of what I am doing; in view particularly of the astounding language of the hon. member for Rouville, who accused me of having degraded the administration of justice and brought it down into the mire—I have forgotten how he described it—let me say this: That in my belief this is legislation simply to put an additional safeguard to the liberty of the subject, without restricting the rights of the Crown, and for my part if during my not very long career in this House and in the office I hold I should have done nothing else but provide this additional safeguard for the citizen, when he is accused, I would have felt that my presence in this House and my holding of the office I do hold, have been anything but entirely useless. Notwithstanding what has been said, I shall always take credit to myself for having observed a possible abuse, and, having so observed it, taken the means to correct it, and I trust this House will endorse my attitude in doing so.

Motion agreed to, Bill read a second time and the House went into committee thereon, Mr. Rainville in the Chair.

On section 1:

1. Section nine hundred and thirty-three of the Criminal Code, chapter one hundred and forty-six of the Revised Statutes of Canada, 1906, is amended by adding the following proviso at the end of subsection one thereof:—

"Provided that the Crown may not direct any number of jurors to stand by in excess of forty-eight, unless the judge presiding at the trial, upon special cause shown, so orders.

Mr. CARVELL: We have been treated to a spectacle this afternoon and this even-

ing which fortunately does not occur very often in this House. The Minister of Justice introduced a very serious amendment to the criminal law of Canada, and he took a course which I have never seen taken by any other Minister of Justice or minister of the Crown in my fourteen years in Parliament. He introduced the Bill in absolute silence, and gave no explanation whatever as to the necessity for this legislation. While I may be charged with vile thoughts and probably vile language, one cannot help thinking that he had an idea the thing might slip through and nothing would be said about it. Then, after discussing the subject for an hour and a half, the minister becomes bold and says he is not a coward, and he proposes to justify his conduct. There are other people in this House who are not cowards either.

Mr. DOHERTY: I did not suggest any one was.

Mr. CARVELL: There are many people here who are as willing to justify their conduct as he is. Notwithstanding this charge of vile thoughts and vile language on my part, I will tell him what I think about it, for fear I did not make my previous remarks sufficiently plain, and I hope when I am through there will not be any misunderstanding whatever about my views on this question. I think the time has come for pretty plain talking to this hon. gentleman. We have been lectured by him this afternoon and this evening, and I object to being lectured by him over legislation of this kind, and being now in committee we will have it out. What are the facts? About a year ago the ex-Premier of Manitoba and two of his colleagues were indicted and brought to trial in the province of Manitoba on a very serious charge of conspiracy, of robbing and defrauding the province of Manitoba out of large sums of money. Either before or after they were brought to trial, the province of Manitoba decided to change its Juries Act. Before this trial came on, the Juries Act of Manitoba was as found in section 46, chapter 108:

> There shall be eighteen grand jurors and thirty-six petit jurors summoned in the first instance for any sitting of the Court of King's Bench for the trial of causes, matters and issues which are to be tried with a jury and for the trial of criminal matters and proceedings.
>
> 2. The number of petit jurors to be summoned in the Eastern Judicial District for any such sitting shall be forty-eight.

The Legislature of Manitoba proposed to pass the following amendment to that law:

> When either before or during any sitting of the Court of King's Bench referred to in section 46 of this Act, it appears necessary or advisable for any reason to have a larger panel, the Judge assigned to preside over such sitting, or any other judge of the Court of King's Bench, may in writing request the Sheriff to summon any number of petit jurors in excess of the number provided by section 46.
>
> (2) Thereupon, such additional petit jurors shall be chosen and summoned by the Sheriff in the manner outlined in the said Act, and all sections of the said Act shall mutatis mutandis apply to such additional jurors.

In due course, as the law provides, this statute was sent from Winnipeg to the Secretary of State for Canada, and in the ordinary course of procedure it was probably brought before the Attorney General of Canada, the present Minister of Justice. This honourable gentleman wants the House to believe that he was so shocked because the province of Manitoba was bringing its legislation in line with the legistion of Ontario, Nova Scotia, New Brunswick, Alberta, and British Columbia, that without any knowledge of the fact that his political friends were liable to be tried or possibly affected by it, without even knowing that those men were going to be tried and that this might affect them, his sense of justice demanded that he should right this wrong, and remove this injustice and place the criminal law of Canada on an equality all over the Dominion. That is the attitude the minister wants to take. I do not believe it, and there is not a man in this House, either Liberal or Conservative, who believes it. It is not possible. If my hon. friend wants to be plain, we will be plain with him. On the 9th December, 1916, he sent a long memorandum to the Governor General in Council. I read a part of it this afternoon. In this memorandum he recites what the law in the province of Manitoba was before, then he sets forth the proposed amendment, and the Order in Council. The latter is as follows:

> P.C. 3060.
>
> The Committee of the Privy Council have had before them a report, herewith, from the Minister of Justice, dated 9th December, 1916, upon a statute of the Legislature of Manitoba, passed at the last session, Chapter 62 of 1916, assented to on 10th March, 1916, and received by the Secretary of State for Canada on 8th April, entitled, "An Act to amend the Jury Act." By the provisions of which a section 46 (a) is added to the Jury Act of the province, Chapter 108 of the Revised Statutes, 1913, providing as follows:—

Then follows the addition to the Manitoba Jury Act, which I have already quoted:

The Committee concurs in the views of the Minister of Justice as set out in the said report, and on his recommendation advise that a copy hereof and of the accompanying report if approved, be transmitted to the Lieutenant-Governor of Manitoba, for the information of his government with a request for an early answer to the inquiry as therein suggested.

All of which is respectfully submitted for approval.

Rodolphe Boudreau,
Clerk of the Privy Council.

In this report he plainly tells the province of Manitoba: "If you do not refrain from acting upon your legislation, I will disallow it," because Parliament is not in session and therefore the only way I can protect my political friends in Manitoba from your legislation is to disallow it; but, if you will promise me that you will not act upon it, I will not disallow it." The answer came back from the Attorney-General of Manitoba, the only answer that any self-respecting provincial government could send back to a threat of that kind, and it concluded as follows:

4. With all due respect to His Excellency's advisers, and while he appreciates their solicitude on behalf of prisoners now awaiting trial, the undersigned is of the opinion that the report referred to amounts to an attempt to interfere with the constitutional rights of the province, and while reflecting on the fairness of the prosecuting authorities in the province of Manitoba, entirely ignores the fact that the fixing of the number of jurors to be summoned is left to the judges of the Court of King's Bench, and that they are given no more power than has been given to and exercised by judges in the province of British Columbia, Alberta, Ontario, Nova Scotia, New Brunswick, the Yukon Territory and the North West Territories, for many years.

5. For these reasons, the undersigned recommends that the undertaking or assurance asked for by His Excellency's advisers be not given.

Respectfully submitted.

(Sgd.) A. H. Hudson,
Attorney General.

That was the answer that came back to the Minister of Justice and I say to him that no self-respecting attorney general for one moment could make any other reply to such a threat. That was on the 9th day of December. These gentlemen up there were to be brought to trial immediately, but on account of the illness of Sir Rodmond Roblin the trial was postponed. When they were liable to be brought up for trial again, some time in the winter, another report was prepared by the Minister of Justice dated the 31st January, 1917. In this document he says, in effect: As Parliament is now in session and as I can interfere by the power behind me and pass legislation prohibiting the province of Manitoba from carrying out its enactment, I will not disallow your legislation but I will introduce legislation here and jam it through in order to embarrass the province of Manitoba and render nugatory the very proper legislation which they have enacted. When we brought these matters to the attention of the hon. gentleman this afternoon in language with which no person could find any fault, making no imputations against him whatever, but simply in the most delicate manner possible calling his attention to the position of affairs, we were treated to a tirade of abuse for an hour this afternoon and an hour after we met again this evening. Under these circumstances I think it is time there was some plain speaking to this hon. gentleman. Now, Sir, he did not even know that the trials were liable to come on in Manitoba! A member of a Government in which three of the most pronounced politicians from the province of Manitoba are his colleagues, one of whom had been the colleague of the very men who were indicted—

Mr. DOHERTY: The hon. gentleman says that I said that I did not know these trials were coming on. I have no recollection of having said so.

Mr. CARVELL: The hon. gentleman said he was not affected by it.

Mr. DOHERTY: Yes.

Mr. CARVELL: For my purposes, there is no difference whatever. As far as the public and the members of this House are concerned, there is absolutely no difference between the hon. gentleman saying that he did not know and that he was not affected by it. He was not affected by it with Hon. Robert Rogers sitting on his right hand in Council, a man who was the colleague of these men, a man who was a member of the Government when the very things were done for which these men were to be put on trial and he was not affected by it! He hopes this House and the country to believe that. It is unthinkable. It is not debatable at all.

He apparently introduced this Bill for the purpose of thwarting the very proper legislation of the province of Manitoba. The Attorney General of Manitoba entered a nolle prosequi when the notice of this legislation was given. Then the minister could not very well do much less than he is doing to-day. He could not abandon the Bill because the political aspect would be so patent that everybody would know what the object of it was. Therefore he was forced to go on with it. Now he takes

the high-and-mighty stand that if he accomplishes nothing else as Minister of Justice of Canada except to redress this wrong he will not have served in vain. Think of the Minister of Justice of Canada taking that attitude, of giving forth to the world the statement that if he does nothing else except to interfere with the administration of justice in Manitoba during the past six years his efforts will not have been in vain!

When we bring out these facts we are treated to a tirade of abuse such as has very seldom been handed out to the members of this House since I have been here. 9 p.m.

In order to substantiate the hon. gentleman's contention, he finds himself compelled to make two or three violent assumptions. In the first place, he is forced to assume that the judges of the King's Bench of Manitoba, or of any other supreme or superior court in Canada, are going to act from improper motives.

Mr. DOHERTY: I think I must be allowed to correct that statement. I certainly said nothing of the kind.

Mr. CARVELL: I do not say you said so; I say you are forced to that assumption, and I am going to give you the proof of it.

Mr. DOHERTY: I was not aware of the assumption.

Mr. CARVELL: You cannot get away from it. Without the amended law of Manitoba the Attorney General could not succeed in getting an extra panel except by the order of the judge, and he had to convince the judge of the necessity of the extra panel before he could get it. Therefore, when he admits there was unfairness, that the law might work out harshly against a prisoner, and a prisoner would not get a fair trial—and that he should get all the protection of the British law that we heard so much talk about this afternoon—he is assuming there is fraud on the part of the presiding judge or that the presiding judge acts contrary to the interests of justice. That is an assumption that does not come with very good grace from the Minister of Justice.

If the legislation of Manitoba had gone as far as the legislation of New Brunswick—which had not shocked his conscience during the five years before this matter came up, and which was allowed to go on and did not get him waked up, and by which the Attorney General could order an extra panel—it would not have been so bad. Practically all the great English-speaking provinces having had these laws. Then the province of Manitoba passes legislation to bring itself into line with the other provinces, with the result that his conscience is shocked by a sense of outraged justice. Without any political interference or influence being brought to bear upon him, he at once rushes and says: I am going to remedy this outrage, and see that the administration of justice shall not be outraged any longer in Canada. He is not sincere. He was not sincere then, and he is not sincere to-night.

Mr. CROTHERS: Mr. Chairman, I rise to a point of order. I want to know if it is within the rules of this House for one member to say to another that he does not believe what he says?

Mr. CARVELL: I did not say so.

Mr. CROTHERS: You did some minutes ago.

Mr. CARVELL: I beg pardon.

Mr. CROTHERS: I know what you said.

Mr. CARVELL: You did not wake up early enough.

Mr. CROTHERS: You said a moment ago that he was not sincere.

Mr. CARVELL: Yes, I say that now.

Mr. CROTHERS: I submit that that language is not permissible, that it is not allowable for one hon. member to say of another that in making a statement he is insincere. I would like your ruling upon it, Mr. Chairman.

The CHAIRMAN (Mr. Rainville): The word used by the hon. member for Carleton (Mr. Carvell), I think, is parliamentary.

Mr. PUGSLEY: Quite proper.

Mr. CARVELL: I will show wherein the hon. gentleman was not sincere. He says that his sense of justice was outraged when he found out that legislation such as this had been passed by Manitoba, and when, to his horror, he found that similar legislation existed in four other provinces of Canada

If the hon. gentleman was sincere, why did he not at once start in to repeal the enactment or amend it, as he is doing to-night? Did he do that? Not by any means. He simply held a club over the head of the province of Manitoba, and said: If you do not change the Act, I will disallow it. Was that sincere? Was his sense of justice outraged? If it had been outraged,

why did he call upon Manitoba alone to repeal their legislation or he would disallow it? Why did he not say: I will amend the criminal law of Canada? What more evidence do hon. gentlemen want of his insincerity than that?

Mr. DOHERTY: Does the hon. gentleman want to know why?

Mr. CARVELL: You will have a chance later on. We are in committee now.

The CHAIRMAN (Mr. Rainville): I would like the hon. gentleman to address the Chair.

Mr. CARVELL: I will do so. We have the whole night to thresh these things out, and if the hon. gentleman is getting a little plain talk he has only himself to thank for it, and he will find he will get all the talk he wants—

Some hon. MEMBERS: Oh, oh.

Mr. CARVELL: I have shown that the hon. minister was not sincere, and is not now sincere, in setting forward this resolution. I am not going to traverse the ground he has gone over. He laboured for an hour to show in some way that there was injustice, and that in some way certain provinces in Canada had fixed jury panels; and I want to tell him that there is not a province in Canada which has not a fixed jury panel by its legislation. It is true the panels vary in number. Manitoba had forty-eight up to 1916. I think they have forty-eight in Ontario. I am told that Quebec has sixty. We only have twenty-one in New Brunswick. But in all these provinces there was a provision, before my hon. friend attempted to interfere with the legislation of Manitoba, by which these panels could be increased to any extent whatever. Then, all you have to do is to take the criminal law of Canada, and there you find that from 1869 down to the present time all the machinery provided by which this could be extended, if the judge thought fit. Section 939 reads as follows:

> Whenever after the proceedings hereinbefore provided for the panel has been exhausted, and a complete jury cannot be had by reason thereof, then, upon request made on behalf of the Crown, the court may order the sheriff or other proper officer forthwith to summon such number of persons, whether qualified jurors or not, as the court deems necessary and directs in order to make a full jury; and such jurors may, if necessary, be summoned by word of mouth.
>
> 2. The names of the persons so summoned shall be added to the general panel, for the purposes of the trial, and the same proceedings shall be taken as to calling and challenging such persons and as to directing them to stand by as are hereinbefore provided for with respect to the persons named in the original panel.

That has been the law since 1869 in Manitoba and every province of Canada—that when the jury panel was exhausted, no matter what the fixed number might be, the court had the power to order an additional panel, or add numbers to the other panel. So that all this talk about unfairness and a lack of uniformity simply amounts to beating the wind, simply some sort of fancied justification for the legislation which the hon. gentleman is trying to force through the House. Then in his communication with the Attorney General of Manitoba, in his report to the Council, and in his discussion this afternoon, he talks about this unlimited number of jurymen, as though an order was given to the sheriff to go out and bring in the countryside, bring in the wayfarers. He had them up to 250, and he could have gone up to 500 without any stretch of imagination at all. The Minister of Justice knows better than that.

Mr. MACDONALD: I do not know about that.

Mr. CARVELL: Oh yes he does. He knows that by the Criminal Code, by the legislation of every province of Canada, and by the legislation of Manitoba to which he objects, they could only summon the number of jurors that the judge ordered and thought fit and proper. There, again, I say my hon. friend must assume unfairness on the part of the presiding judge, he must assume crookedness on the part of everybody, in order to justify his position. If he has fault to find, and feels he has been unjustly attacked, he has himself to blame for it. If he comes in with sectional legislation, designed for the protection of certain persons, and tries to force this thing through Parliament and is hauled over he coals for it, it is his own fault. There is no use pleading for sympathy, or lecturing gentlemen on this side of the House, or making any threats. I hope the hon. gentleman will take a little lesson from what I am telling him, and change his attitude, and that during the rest of the debate we shall not be treated to any more such exhibitions as we had just before six o'clock and for three-quarters of an hour afterwards.

Mr. MACDONALD: My hon. friend, in defending a proposal to introduce this measure, gave a dissertation upon the law of juries from the time of Charles I, through

various intervening periods down to the year 1907. All this dissertation of my hon. friend upon this abstract question of law has no more relevancy to the Bill which we are discussing than any academic problem with reference to the constitutional history of Great Britain. After this historical dissertation upon this irrelevant subject, he endeavoured to indicate to this committee that the fact that this legislation was introduced when it had been, and the fact that he wrote the Attorney General of Manitoba and passed Orders in Council dealing with the legislation enacted by the Legislature of Manitoba, were accidental circumstances. The Minister of Justice's soul was burning over this anomaly which he discovered in the statutes of Manitoba, under which every province in this Dominion has been staggering along, without anybody ever making any complaint about the administration of justice, ever since Confederation. The sudden interest of the minister in this question of jury legislation in Manitoba synchronized—to use that happy phrase which the Minister of Finance (Sir Thomas White) introduced into this House, when he had been engaged in a somewhat similar occupation to that of my hon. friend the Minister of Justice—with certain political events in the Parliament of Manitoba. That there was a synchronism there is no manner of doubt, and the Minister of Justice admits that he knew that his political friends were about to be tried in Manitoba, but he did not allow that fact to affect him any. Well, we are bound to accept his word, only again we have this anomalous and very peculiar synchronism, which is, to say the least of it, very singular. My hon. friend resents the idea that anybody should suggest any particular motive in regard to this matter, but here are the facts—the House will have to draw its own conclusions, and so will the country. What does my hon. friend say in his Order in Council which he issued in December, 1916, after the first trial of Sir Rodmond Roblin, Mr. Coldwell and Mr. Howden had taken place, and while they were approaching the period when the second trial was to be held? My hon. friend's knowledge and zeal about the cause of criminal administration in this country became keen, and prompted him to pass an Order in Council on December 9, in which appears this very peculiar statement:

> Criminal trials are proceeding in the province of Manitoba; the Parliament is not in session and it will in the ordinary course of things be several months before a suitable amendment can be obtained to regulate, in a manner compatible with justice, the right of the prosecution to require jurors to stand by.

According to this Order in Council, criminal trials were likely to take place. What does my hon. friend say to the Government of Manitoba with respect to these criminal trials? The Order in Council continues:

> With a view to the application of the law in accordance with what the minister conceives to be its reasonable purpose, he would be disposed to consider the propriety of disallowance unless the Lieutenant Governor of Manitoba be advised to give an assurance that his Government will see that, pending the consideration by Parliament of the provisions of the Criminal Code to which the undersigned has referred, the prosecuting attorney shall not exercise any right to require jurors to stand aside at criminal cases in excess of that which would have been permissible if section 46a as enacted by the recent Act of Manitoba had not been passed.

That provision of the Order in Council is most anomalous. The right to disallow legislation passed by a provincial legislature can be exercised by the Minister of Justice and the Government in a proper case. But here is the synchronism: Sir Rodmond Roblin, Mr. Coldwell and Mr. Howden were to be tried in January. The Minister of Justice says to the Attorney General of Manitoba: I will disallow your legislation unless you undertake not to enforce the provisions of your law with regard to the right to stand by. My hon. friend need not complain about hon. gentlemen on this side making statements or suggesting theories. Here is a statement which I find in the Manitoba Free Press, which gives in detail the subsequent events. The Manitoba Free Press and my hon. friend have not been so far apart within the last week or two. This is what that newspaper says:

> It is not in the interests of justice that the Dominion Government threatened to reduce the jury panel to forty-eight. The necessity for such a restriction had never appeared to any minister of justice till the second trial of the ex-minister loomed in view. It is not in the interests of justice that the law which prevails in England and in nearly every Canadian province was to be violated by the Dominion Government. It was to embarrass or prevent the due trial of the three ex-ministers.

No hon. gentleman on this side has suggested that. But the Manitoba Free Press, a great organ of public opinion, a few months ago thus arraigned the Minister of Justice, charging him with threatening Manitoba by his Order in Council in the interests of the ex-ministers. The article goes on:

Why the haste in wiring to the provincial government for its answer? The Dominion Order in Council was dated December 11 and received here—

That is, in Winnipeg.

—about the 16th. The Dominion Government wired for the answer on January 5.

Note the peculiar synchronism. The memorandum from the Minister of Justice reached Winnipeg on December 16, and he was in so much haste for a reply, in view of the fact that these criminal trials were coming on, that he sent a telegram on January 5 asking for a reply. That action is entirely without precedent in the history of my hon. friend's department. The Manitoba Free Press goes on:

Sir Rodmond's illness had not then arrived.

What occurred then? Sir Rodmond Roblin became ill, so ill that application was made to the judges for postponement of the trial. The application was granted. The Manitoba Free Press proceeds to say:

When the trial was postponed on account of Sir Rodmond Roblin's illness, the Dominion Government's anxiety immediately abated and five weeks after receiving the Manitoba Government's answer the Minister of Justice "is disposed to think that it is not necessary to recommend any further action with respect to this particular statute."

Sir Rodmond Roblin's trial was coming on in January. My hon. friend makes out his Order in Council dated December 11, posts it to Winnipeg immediately, and it reaches there on December 16. Not receiving an answer, he wires on January 5: Why have you not answered? Sir Rodmond Roblin becomes ill; the trial is postponed—and my hon. friend's interest in the matter suddenly ceases. Subsequently he receives an answer from the Attorney General of Manitoba. Instead of displaying a continued interest in the matter, he does nothing to prevent the operation of the law; he sends no telegram, he writes not even a letter. But five weeks afterwards he replies that it is not necessary to recommend any further change in that particular statute. And now we have this wonderful piece of legislation in the interests of jurisprudence which my hon. friend dilated upon for two hours this afternoon, and which, according to his view, is so essential in this time of war and stress. The Manitoba Free Press says:

But to save his face he repeats that he proposes, therefore, to introduce into Parliament a measure intended to give effect to his newly and precipitately acquired views of the month of December and to overturn a law of many years' standing.

[Mr. Macdonald.]

My hon. friend may complain of the Manitoba Free Press in making these statements several months ago, but neither he nor his colleagues can get away from the synchronism of all these events. The Manitoba Free Press says further:

The threat of disallowance is a barefaced attempt to prostitute the constitutional prerogatives of the Dominion to serve political and personal ends of Robert Rogers and Arthur Meighen—to subvert justice to save personal and political friends—to make the constitution the handmaid and protector of graft and crime. It is a fitting display of the debauchery of the present Government, that it is ready to become the tool of Mr. Rogers in undermining the administration of justice.

That is the statement of the Manitoba Free Press, made some months ago when the events were fresh in the minds of the people of that province. The minister this afternoon did not meet that charge made by the Free Press.

Note the category of events in regard to this matter: The coming on of certain criminal trials, the hastily passed Order in Council, the sending of a telegram, the postponement of the trial, the minister's sudden cessation of interest in the matter, and his holding the Attorney General's answer five weeks before replying. Then, as the Manitoba Free Press says, to save his face, he introduces this legislation. Is it any wonder that we on this side asked the House this afternoon to divide on the question whether this legislation should be put on the statute book?

Is it any wonder that we call the attention of this House and of the country to the fact that, at this time and under the serious circumstances, this Minister of Justice in this Government turns aside to delay the progress of Parliament in order to pass legislation which had its emanation purely in political conceptions and which would never have been heard of if there had not been criminal trials in Manitoba to be looked after?

Mr. MORPHY: I had an opportunity of saying a word or two on this Bill this afternoon and had I been present in the House when the division was taken, I would have voted against the Bill. I made the statement to-day that I would vote against the Bill unless the minister would satisfy me that it was in the public interest that the Bill should be on the statute-book. I have listened carefully to-night, since eight o'clock, to what the Minister of Justice has had to say, and nothing he has said has satisfied me. The minister said that criticism levelled in this House this afternoon

appeared to be more at himself than at the Bill. Personally, I resent that. I do not think it is fair for a minister to make a matter of that kind personal. When an hon. member, as is his right in this House, rises to speak his mind, I do not look upon that as a personal matter, nor do I believe that the criticism was so much levelled at the minister as at the contents of the Bill he is putting forward. I see by section 933 of the Criminal Code that this law proposed to be amended has been upon the statute-book for about forty-seven years. I have been patiently waiting to hear something from the lips of the minister that would justify his tampering with this law. I have heard the criticism of hon. gentlemen opposite and the motives they have imputed. I do not know that they are right; I cannot say that they are wrong. I have not gone into the subject deeply, and I have read nothing about it. But the view I take is entirely different from the view they take; my mind is directed along totally different channels. The minister has gone at great length into what I might term ancient English history to show the origin of the law relating to the powers of the Crown to stand aside in criminal indictments. I did not think that was relevant at all, and I thought it was a bit of a red herring that the minister was drawing across the scent. The point that strikes me is that, assuming that hon. gentlemen opposite are correct in their theory that this law was intended to help political friends in Manitoba, it is quite clearly shown to-day that the need for such a law does not exist, and if that were the motive, the Minister of Justice might reasonably drop his Bill. Since he hangs on with such pertinacity to the pushing through of this Bill, one must seek for another motive, and the motive that I would impute to the Minister of Justice—an Irishman might be entitled to use the phrase, an unconscious motive—would probably be this. I do not believe that the minister realizes to-night the effect of this Bill. I do not believe he has this Bill in his mind's eye, having relation to the situation that this country presents to-day. With sedition and rebellion threatening us in various quarters of this Dominion, the Minister of Justice brings in a Bill which tends to weaken the power of the Crown to deal with offenders. If there ever was a time in the history of Canada when the power of the Crown should be strengthened, that time is now. I have watched very carefully to find any concrete case of abuse given, and I find the minister has absolutely failed to give any set condition which has arisen throughout the length and breadth of Canada which authorizes him to bring forward this Bill. On the eve of a possible crisis in this country, with numerous acts of sedition being committed to-day, as will be found reported in the Montreal Gazette of this morning, with numerous acts of rebellion threatening to break out, at a time when the power of the Crown should be made supreme, I do not conceive it possible that the Minister of Justice in this Parliament will seriously promote a Bill which intends to sap, enervate, and weaken the powers of the Crown in this country, powers that, as he admits himself, have always been administered fairly. The Crown prosecutors throughout the country have been fair; the judges have had the weal of the country at heart; they have administered the law impartially, with absolute fairness and rectitude. And, after forty-seven years under the law as it stands giving the Crown the right to compel any number of jurors to stand by, or as we in Ontario say, to stand aside, we find that this Bill is curtailing the power of the Crown by limiting the number of jurors it can stand aside to a maximum of forty-eight. I cannot for the life of me see why the Bill is asked for, by whom it is asked for, or what evil it is intended to cure. If it were the Manitoba situation, that is out of the way. I ask the minister—now that we are in committee, when he can speak as much as he likes, when he is not limited as he was this afternoon when we were in the House—to tell me, as a member of this House, what case he wanted to meet, what concrete case gave rise to this Bill and who asked for it. The minister in answer to an hon. gentleman opposite to-day said: No attorney general of any province of the Dominion asked for this legislation. I waited in vain to hear the minister tell this House of one case which had arisen which constituted an abuse of the statute as it exists. As a professional man I have gloried in the Criminal Code as laid down through the professional genius of the late Sir John Thompson. It has been a model document, a model code of laws, and for myself I feel that the code will exist in strength in proportion to the fewness of the attacks that are made upon it. It is a pity to tamper with the Criminal Code unless good cause is shown. The minister has not shown good cause, and I purpose voting against this Bill at every stage unless I can get some light.

Mr. DOHERTY: With regard to the observations of the hon. member for Carleton (Mr. Carvell) and the hon. member for Pictou (Mr. Macdonald) I feel I have already sufficiently dealt with what they have said. With regard to what has been said by the hon. member for North Perth (Mr. Morphy), I regret that I have not been able to carry conviction to him that there is good reason for the introduction and passing of this Bill. I notice that the hon. gentleman said that he heard my remarks after eight o'clock. I do not assume that if he had heard what I said before six I would have convinced him. Let me point out that this is not a modification of the law as it existed throughout Canada. It is not at all difficult for the hon. gentleman to apprehend the question when he looks into it, but I must confess that it is a little difficult for me to make quite clear how it is that the difficulty which I think should be met is brought about. That difficulty does not result from the disposition of the Criminal Code standing by itself. That disposition of the Criminal Code was enacted, I have no doubt, in view of an existing condition of affairs whereby in four at least out of the five provinces there was an absolutely fixed number beyond which the panel could not go. I have understood also, in view of the practice at common law, and which had prevailed, if I am correctly informed—and hon. gentlemen from other provinces rather bore that out this afternoon—that the panel summoned is not more than 48. The situation that this amendment is intended to meet is this: under the Manitoba legislation, and under the legislation of four of the other provinces, while in some there is a number for the panel mentioned, and in others there is no number mentioned, in all those provinces the judge may extend the number of the panel. I have been criticised for saying an "indefinite" number. I do not mean to convey by the word "indefinite" more than that the judge might summon any number that in his judgment he thought desirable. I was at pains to point out that I had no fault to find with that power being conferred upon the judge, and that there might in many instances be very substantial reasons which would not only justify but absolutely call for the summoning of a very large number of jurors. I think I mentioned one case which came to my knowledge of the holding of a court where 150 jurors were summoned. While I find no fault with that possibility, being, as it is, under the control of the judge, what struck me was that out of that possibility, combined with the provisions of the Criminal Code as it stands, might grow this situation. In the provinces where a fixed number had been created, the Crown was limited in its "stand by" to the full number of the panel. In Manitoba, for instance, that would be 48. But in Manitoba, since the amended legislation, the Crown came to have the right to extend the number of "stand by" to the full extent of the number of jurors that the court might consider advisable to have summoned. The result, as it works out without this amendment, is that in a particular case the Crown would have the right to "stand by" the entire number of jurors who had been summoned, and properly summoned under those circumstances, instead of only 48. Where there was a limited number to a panel the stand-by was necessarily limited to that number.

Mr. PUGSLEY: Is it not quite proper to assume that a judge, in making an order for increasing the panel, would always do so with a knowledge that the right of standing aside the jurors existed in the prosecuting officer?

Mr. DOHERTY: The judge would do so with a full knowledge of that, but at the same time there might be reasons quite independent of the existence of that right which might make it desirable or necessary to have a very large number of jurors.

Mr. C. A. WILSON: The number of cases to be tried in a district has nothing to do with the number of jurors. In a rural district, for instance, a panel of 40 will be summoned, and in Montreal and Quebec a panel of 60. By a provision in the law, if the cases are numerous, another panel can be summoned, and we sometimes see as many as three or four panels in the same district.

Mr. DOHERTY: Certainly. The hon. gentleman always speaks from his familiarity with the excellent system—I say it with all respect—that grows out of the legislation of those provinces with a fixed panel. If your first panel is not sufficient in number, you have the remedy by summoning additional panels. But in a trial before the first panel the Crown may stand aside until it comes to the end of the panel, and then it will have to go back and begin over again, and unless it has reasons to give against any man that it then wants to reject it must challenge. Now, if you proceed on a system where there is a fixed number to the panel, the abuse which ap-

pears to me to be possible is protected against, and you would not need this legislation. But it is because in certain of the provinces a panel might be of a very large number that the legislation is needed.

Mr. C. A. WILSON: Would my hon. friend allow me to make a suggestion? I agree with the remarks made by the hon. member for North Perth (Mr. Morphy), who has convinced me more than any one in this House, without referring to the Manitoba question at all, that we are dealing with a more serious amendment to the Criminal Code than people imagine. I cannot foresee the extent of the effect of this new legislation. The minister says that, as far as the provinces where a limited number of jurors composing a panel is fixed, His Majesty's justice is protected, and the subject is also protected. That being so, it is very easy to infer that there are some provinces which have an unlimited number of jurors. The suggestion I make is that the Minister of Justice should enter into a conference with, or communicate with, the Attorneys General of those provinces which have not improved their law, and ask their opinion, or suggest that they should enact at the first sitting of their legislature an Act to restrict the number of jurors, in order to have uniform legislation, so far as numbers is concerned. The number may vary according to the population or the needs of the centres where those jurors may be called upon to sit. Then, if there is any complaint, a general measure of this kind may be passed.

While I am on my feet, I would like to draw the attention of the minister to one part of the Bill, and ask him how it will work out. Take, for instance, the last words "upon special cause shown." My experience before the criminal courts is this: My hon. friend from Montcalm (Mr. Lafortune) is Crown prosecutor in Montreal. He may simply say to Juror No. 1 in case, "Stand aside," and may go through the whole panel in the same way. If he oversteps the number of forty—and this cannot happen unless we are in a rural district after talesmen have been called—if he "stands aside" the forty on the panel, he will not have exhausted the privilege he has under the law.

Mr. DOHERTY: This legislation does not say that he shall in all cases have the right to forty-eight, even if the panel is not forty-eight. It limits him as an absolute right to forty-eight. In the case where there are only forty, if the jury is not exhausted by challenge or otherwise, after you have stood aside the forty then you come back and go over them until you finally get a jury, or challenges have prevented you from getting one. That is when the jury panel is exhausted, and you resort to talesmen. This amendment deals with the right to "stand by" with regard to the panel, and it limits to forty-eight. Of course it does not mean or at least it was not intended to mean, that where the panel is less than forty-eight the Crown will still have the right to "stand by" forty-eight. Where the panel is only forty, the Crown is restricted to forty "stand bys."

Mr. PUGSLEY. In what districts is the panel sixty?

Mr. DOHERTY: In the districts of Montreal and Quebec.

Mr. PUGSLEY: The minister is speaking of the great advantage of a limited panel. Why does he try to pass a law by which in the province of Quebec, where there is an admirable limited panel, counsel representing the Crown can only cause forty-eight to stand by, leaving twelve over whom he is absolutely powerless unless he can challenge for cause?

Mr. DOHERTY: I had not quite concluded what I had to say in answer to my hon. friend from Laval (Mr. C. A. Wilson). I am not wedded to the particular number, forty-eight. When I was making the limitation I had in mind that it should be of general application, and forty-eight was the number which has become law by practice. I am not suggesting that there was at common law any restricted fixed number, but in practice forty-eight was the usual number. In Manitoba, whose legislation we were dealing with, that was the maximum number in any district. In the districts outside of Winnipeg it was thirty-six, I believe. Taking the two districts I have mentioned in Quebec, I was depriving them of twelve. On the other hand, I was taking a number which I thought was a fair average of the provinces which have fixed numbers. It may be that it would be wiser to keep this restriction down to what is the maximum number in any province having a fixed number, and I would have no objection to considering that suggestion.

Mr. CARVELL: That simply shows the danger and difficulty of tampering with a well-recognized law. If you apply that proposition you will get the fixed number down to twenty-one in New Brunswick, which would be ridiculous.

Mr. DOHERTY: As I was making a law of general application, I was trying to take a number that might be—not right up to the maximum or right down to the minimum—but that might fairly be considered a general number. As I have already stated, it is the principle that seems to me important, and if it be thought that there would be an advantage in saying sixty rather than forty-eight, I would be open to consider the suggestion. The hon. member for Laval has stated that I should take the matter up with the Attorneys General, and suggest to them that they should—in the case of Manitoba, at all events, and any other provinces which may have at any time fixed a number by statute—revert to that number. I would not have any particular objection to doing that, but if I did it I would be undertaking to intervene with the province with regard to the sort of legislation they should enact concerning a matter which they would most strenuously claim to be within their own jurisdiction, and which I am prepared to admit for all practical purposes in regard to this present measure, is their constitutional prerogative.

I had ventured to communicate with the Attorney General for Manitoba, and, whatever we may think about our own respective languages, his reply was not of a kind to indicate that he welcomed or was delighted with my intervention.

Mr. PUGSLEY: He did not like the bluff.

Mr. DOHERTY: That was his interpretation possibly. At all events, he did not like my intervention. I think we may all agree that he did not like my intervention, and then we will get peace. There may be a perfectly good reason for the provincial authorities claiming that I should not interfere with the right to say what number of jurors should be summoned. But on one thing, with all respect for the opinions that have been expressed, I think we all agree, and it is that this Parliament has responsibility, whatever action it ought to take, for the criminal procedure. If my view is sound, that there should be an amendment in our criminal procedure, it is merely because the action of the provinces in the exercise of their right and for their own legitimate purposes, has created a situation—which I do not suppose they had any desire or intention to create—in which, by reason of this unlimited provision of the Criminal Code, abuse to the detriment of the liberty of the subject may become possible.

[Mr. Carvell.]

Mr. PUGSLEY: It has never done so. The criminal law has given absolute satisfaction.

Mr. DOHERTY: The hon. gentleman has made that argument before.

Mr. PUGSLEY: I have tried to drive it home to the minister.

Mr. DOHERTY: I have tried to meet that argument, and I think I have driven it absolutely home.

Mr. PUGSLEY: The minister has repeated his argument a little bit more than once.

Mr. DOHERTY: I am not finding fault with the hon. gentleman if he thinks it useful. I dare say that one is obliged to repeat what he has already said, but may I point out that I got on my feet because I was asked to do it. I was not endeavouring to make any undue repetition. My own conception was that possibly we should get as good a result and possibly save some time if, after I had heard the observations that hon. gentlemen were prepared to make, I should try to deal with them all in one speech. But it was considered better that I should reply after my hon. friend from Perth (Mr. Morphy) had spoken, and I was quite willing to acquiesce in that view. But I do not want to claim for myself exemption from having repeated, nor do I intend by my suggestion to find fault with my hon. friend (Mr. Pugsley) for insisting on his argument. I only want to say that if my observations do not carry conviction, yet, in so far as I am able to give a satisfactory answer, I have given that answer.

Mr. PUGSLEY: These things may impress other members of the committee. What the committee will do does not depend entirely on what the minister says.

Mr. DOHERTY: The remark was addressed to me. I do not wish to curtail the hon. gentleman's privilege of reiterating any argument that he may think proper. I was trying to complete what I thought ought to be said in answer to my hon. friend from Laval (Mr. C. A. Wilson). I do frankly think, if the provinces see it that way, that the best way would be for them to fix a unmber for their panels. I quite recognize that there may be conditions in a province of which I know nothing that might make a larger panel desirable from their point of view. The hon. member for

10 p.m.

Laval apparently thought that it was desirable that there should be a limited number of challenges. The best way to get the result desired is to deal with the matter by the Criminal Code.

In regard to my hon. friend from North Perth, one thing which struck me very forcibly was his suggestion that this was an unfortunate time, by reasons of conditions that may exist throughout the country, to weaken the powers of the Crown. I submit with deference to those who may not agree with me that it was not in my conception that in doing what I was doing I was weakening the powers of the Crown, because I have not suggested that there should be an absolute limitation on the rights of any one. The Crown has always this recourse open to it. The judge who is sitting there will determine whether there shall be an extension or not, whether the conditions which my hon. friend from Perth pointed out exist in such a way as make it desirable, for the maintenance of order and the enforcement of law, that there should be a wider exercise of the right of "stand by." I should think that the hon. member would agree with me that we may safely trust to the courts to recognize those conditions. The proposed legislation does not end the right to "stand by," it simply lays down a rule for ordinary application open to variation under those circumstances and conditions in which a particular case presents itself affording good reason for an extension. I should be very sorry to think that it would be in anybody's mind that I was actuated in the introduction of this legislation by any motive of weakening the powers of the Crown to enforce the law at the present time. That was very far from my conception when I introduced the Bill. In some respects I think the hon. member will agree with me that some of the conditions that he has in view, if they existed at all at the time of the introduction of this Bill, have perhaps been brought still more closely to our attention since then. Frankly, I should not apprehend that a provision of this kind would in any way endanger the powers of the Crown with regard to the enforcement of the law; my confidence in the judiciary is quite too great for that. I would like to repeat one thing which I said this afternoon and which I think meets a great many of the objections that have been made.

Mr. PUGSLEY: The judiciary have lately not always given evidence that they are all worthy of confidence.

Mr. DOHERTY: I do not know why lately more than any other time. We have had evidence of the existence of a difference of opinion between judges from time immemorial, and which will continue, to the advantage of the profession to which my hon. friend and myself belong. We have both had to congratulate ourselves upon the fact that judges came to different conclusions on the same evidence and on the same arguments. I was going to say that what seems to me to have been a conclusive answer to the objections that were lodged is that the same authority which under the provincial law controls the determination of the number of the jury panel, under this law which gives the Crown forty-eight challenges without the intervention of the judge, also controls how much further the Crown should be allowed to go in the exercise of the right of "stand by."

Mr. C. A. WILSON: I understand that the "stand aside" number would be 48, and more if the presiding judge at the trial, upon special cause shown, so ordered. Those words, "upon special cause shown", perplex me. When the Crown says, "stand aside", I would not dare, as an attorney for the defence, ask the Crown prosecutor what his reasons for that request were. That would not be proper. What reason would be given by the judge? He will have to give the reasons in public why he gives the Crown prosecutor the power and privilege to order a larger number than 48 to stand by. Would he give those reasons? No. The Crown prosecutor may represent to the court that about 50 of the 100 of the new jurors that are called are Liberals, and this is a Liberal case, and the judge may permit the Crown to extend the "stand asides" to 56 or 58. Or, take the reverse case and suppose they are Conservatives, how can a Crown prosecutor give his reasons to the judge, except in camera, and how can the judge deliver those reasons from the Bench, to authorize the Crown to exercise that privilege in regard to the "stand aside"?

Mr. DOHERTY: I pointed out this afternoon what I understood would be the position in that regard. I do not understand that it is a question of whether one individual is going to be told to stand by. As the matter stands at the present time, my hon. friend, the member for Montcalm sits in His Majesty's court, where he prosecutes criminals.

Mr. C. A. WILSON: And where he shines.

Mr. DOHERTY: And my hon. friend from Laval sits at the desk and defends the accused, and he likewise shines. Now, my hon. friend from Montcalm has "stood by" forty-eight. He proceeds to ask another man to stand by. The hon. gentleman from Laval, if this law passes, will object. The hon. gentleman from Montcalm says, "I want to show to the court that there are special reasons for my going further." I do not think the hon. gentleman from Montcalm would dream of suggesting that the next dozen jurors were Liberal or that they were Conservative, or that he would give any reason of that sort. But there may be perfectly good reason. I think you might find the existence of certain conditions in the public mind which might constitute a reason. The hon. gentleman no doubt has had occasion to move for a change of venue.

Mr. C. A. WILSON: The case is not similar.

Mr. DOHERTY: It is not identical, but the same causes might justify the extension of the right to "stand by." The law, moreover, does not lay down any rule for the judges, but leaves the matter in his discretion to say—upon special cause shown to him, which he thinks makes it desirable for the good administration of justice—that the right of "stand by" should be extended. Very cognent arguments have been put forward here, and instances given of cases where the "stand bys" should go beyond 48. These same arguments would be put before the court, and the conditions outlined in suggested cases might possibly exist, and the court would determine, in the exercise of its judgment and discretion, whether that was sufficient cause for the extension of the right to "stand by." I do not quite grasp why the hon. gentleman apprehends difficulty in that regard. There are many similar matters of procedure, where the judge is left a discretion as to the application of an absolute rule or its extension, and I do not think we need apprehend that any judge would look upon reasons such as have been suggested as applicable in any case I can conceive.

Mr. McKENZIE: I regret very much that the Minister of Justice should suppose we had no purpose in discussing this Bill but to find personal fault with himself. I am sure nothing could be further from my own mind than to give direct personal offence to the Minister of Justice. But the hon. gentleman knows that one's conduct and acts can well be criticised without any personal offence being intended. I may be promoting a certain line of religious belief that would be absolutely objectionable to the hon. Minister of Justice, and which he could abuse and tear to tatters and characterise as absolute heresy, and at the same time have no intention of saying anything against me. In like manner, it is quite open to us, I think, to criticise this Bill, and criticise it particularly because of its genesis, and the conditions of the country, and particularly the conditions in Manitoba, where this trouble originated. In this House it is well, perhaps, that we should be keen on the scent of anything that may savour of trouble, or savour of any undue exercise of the power of the minister or of the Government, particularly in the administration of justice; and it is better that we should err by going too keenly after matters of that kind than that we should sleep at the switch and allow matters to go on which would tend to abuses and lead people to believe that in the administration of justice, as well as other things, there was pull, and that the man who got clear was the man who had the big pull while the poor man, who had few friends at court, had no chance to escape. It would be a deplorable condition of things if that idea got abroad, and it is perhaps better that fault should be found with the Minister of Justice when he does not deserve it than that too much latitude should be given in the other direction. I have in my hand copies of a series of telegrams proven in court, and I think when the Minister of Justice hears them he will be perfectly satisfied that we, on this side of the House, have reason to believe that influences were being exercised from Manitoba from the very inception of this matter out of which these troubles arose, which were not proper and should not have been exercised. I have here a copy of a telegram which was proven in court, which I am satisfied is a correct copy, dated Winnipeg, 1st April, 1915, addressed to my hon. friend's colleague, hon. Robert Rogers, at Ottawa, in which it is said:

> Governor Cameron in collusion with Grits here. Has under his authority directed Government to appoint Royal Commission to inquire into Kelly contracts. Important that he should accept Government's nominee for the Commission. There is danger that he may refuse. If he should, it will precipitate crisis. Your interest in Dominion election at stake. Better protect your position and see that Cameron follows advice of Government. He is broke, as you know. I think this is very important and should be attended to at once.

No charge has been made against minister personally. He should have ignored the position if he wanted. His actions are very suspicious.

R. M. Simpson.

Mr. Simpson is a man who stood close to the minister. I wish to call the minister's attention to very extraordinary language in this telegram, which, I think, is enough to arouse suspicion anywhere. The Minister of Public Works is told that the Governor is broke. What is meant by that? That means that he is poor; that he has no money; that he can be approached with a bribe. It means: Bring money with you, and we can fix the whole thing. That is what the word means; I have never heard it used in any other connection. There is another telegram here to Hon. Robert Rogers, bearing the same date, and sent by Mr. G. R. Coldwell, Minister of the Manitoba Government of that day. It is as follows:

The Governor is evidently moving under instructions from the Grits. He is attempting to force our hand. You know his position. This thing means more to you than appears on the surface. Would advise you to take measures to protect. His removal promptly should be considered.

A Manitoba minister advises a minister of the Crown in the Government of my right hon. friend to take steps to remove this Governor and get him out of the way. There is another telegram from Mr. Rogers, replying to Dr. R. M. Simpson. It is marked confidential, and is as follows:

Thanks for message. Am acting strongly in the matter.

Strongly, I suppose, to get the Governor removed.

Governor has absolutely no right to take matter into his own hands. His plain duty is to follow the advice of his advisers.

R. Rogers.

Here is another telegram from Sir Rodmond Roblin to Hon. Robert Rogers, dated April 7, and marked confidential:

Governor wrote me officially this morning saying after fuller consideration that work should be stopped. Commission should be appointed to-day before my leaving and that Mather, Galt and Macdonald be commission. Saw him immediately; after long interview he had agreed that I could go east but that must return and appoint commission not later than Wednesday noon, fourteenth. He strongly objects to Haggart. Leaving to-night for Toronto.

As I understand it, Haggard is a judge of the Supreme Court, and it was in connection with his election that these moneys were used. Fault is found with the Governor because he does not appoint Haggart as one of the commissioners to try charges against his own election fund.

There is another telegram to Hon. Robert Rogers, dated April 9 and marked confidential. It is as follows:

Ministers here inform me that Governor acting in unfair and partisan manner respecting nominees for commission and its appointment by next Wednesday. Coldwell believes that unless matters are arranged satisfactorily the ultimate result will have far-reaching effects in Dominion election and thinks you should be here before Wednesday.

This is signed by R. C. A. Manning, whose name figured in some real estate matters.

There is another telegram dated at Winnipeg, April 13, 1915. It is sent by ex-Premier Sir Rodmond Roblin to Hon. Robert Rogers, and is as follows:

Conditions here demand your immediate presence if you are to accomplish what is desired. Imperative you leave to-night. Answer.

Mr. CHAIRMAN: Order. Are these telegrams relevant to the subject under discussion?

Mr. McKENZIE: Certainly. They are relevant to the question under discussion, as an objection to the introduction of this Bill.

Mr. CURRIE: There is only one way to question the ruling of the Chair.

Mr. McKENZIE: I was not ruled out of order. I would advise my hon. friend to keep his encyclopedia closed for a moment. He is not the whole earth, the heavens above, the waters beneath, and everything else that God created. Let him allow other people to mind their own business.

The CHAIRMAN: Will the hon. gentleman show that the reading of these telegrams is relevant to the question under consideration?

Mr. McKENZIE: I have one more telegram to read, and then I will show as far as I can that they are relevant.

Mr. CURRIE: I will have to ask you, Mr. Chairman, for a ruling. We have sat here during the whole sitting listening to the member for North Cape Breton occupy the time of the committee, spending thousands of dollars of the people's money, repeating old yarns and old statements. I ask if the hon. member is in order in reading those telegrams?

Mr. McKENZIE: The point is that these documents are too hot for my hon. friend.

There is no barn behind which he can get now.

The CHAIRMAN: Can the hon. member show that the reading of these telegrams is relevant to the matter that we are now considering? The rules are quite clear that discussion must be relevant.

Mr. CURRIE: I rise to a point of order. I ask that the rules of the House be observed. The rules of decorum require that when the Chairman rises the hon. gentleman who has the floor shall take his seat. I point out to you, Mr. Chairman, that the member for North Cape Breton has not obeyed that rule, and never does.

Mr. McKENZIE: I never saw the member for North Simcoe right in anything; perhaps he is right now. He should remember the castigation the Prime Minister gave him on one occasion in connection with a ruling of the Chair. I understand you to intimate, Mr. Chairman, that you were open to conviction if I should show you that my remarks were relevant to the matter under discussion. We are showing that this legislation is improper; that it was conceived in sin and brought forth in iniquity; that it should never have been introduced; that it had its origin in an attempt to defeat the ends of justice in Manitoba.

I am showing by these telegrams that sinister motives and influences were, from the very inception of this trouble, being brought to bear upon this Government. For that reason I am reading these telegrams proving, with other matters, that this thing had its origin in an idea of preventing those men from being properly tried; that the whole thing from the beginning was a conspiracy, and that influence was brought to bear upon the Government to interfere, some of them saying: Dismiss the Governor; others saying: Buy the governor; give him money. I have another telegram that will show that further sinister motives were influential. As I have been allowed to read those telegrams, I might be allowed to finish. I am, Sir, however, subject to your ruling. We have been discussing all the afternoon the fact that there were motives behind this legislation. I am going to the very beginning and root of these things and showing that those telegrams prove what I say.

Mr. CROTHERS: I submit that the whole argument so far put forward by the hon. member for North Cape Breton (Mr. McKenzie) is out of order. We have had the second reading of this Bill when the principal of it was determined upon. We are now in committee. It is not open to any member of this committee to discuss the principle of this Bill now. My hon. friend has not said a word with regard to any of the details of the Bill. We are in committee to discuss the details, not the principle, of the Bill.

Mr. GRAHAM: By that suggestion of my hon. friend regarding the point of order, he establishes an altogether new rule which will not be found in the Rules of the House. It has been the custom in this House, ever since I became a member of it, to discuss in committee the principle of a Bill as well as the details. Time and again, at the request of the Government, the second reading of a Bill has been allowed, and all the discussion has taken place in committee.

Mr. CROTHERS: That is not so in this case.

Mr. PUGSLEY: There is another very good reason, too, namely, that the Minister of Justice went fully into the reasons for this Bill, went into the motives which had actuated him when introducing it, referred to the situation of affairs in Manitoba and discussed the whole matter quite fully.

Mr. CROTHERS: That was only in reply.

Mr. PUGSLEY: The minister was allowed to do that, and it is surely quite open to my hon. friend to deal with the same matter.

Mr. DOHERTY: The hon. member is confounding what I said on the second reading of the Bill, with what I said in committee. When I spoke on this Bill, I was speaking in reply on the motion for the second reading of the Bill, and I may point out that I made the suggestion, when some little discussion arose, when there was some little flutter about the question whether I had had an opportunity to explain or not, that perhaps we might get out of that difficulty if we went into committee, and then I could give the explanations which were thought desirable and which it was thought I had with more or less sinister purpose refrained from making. My suggestion was quite rejected, and it was insisted upon that we were on the second reading of the Bill, and that, therefore, I could say nothing but my reply. My suggestion that we should throw the whole matter open in committee was absolutely rejected, and we proceeded

accordingly. I do not, therefore, think there is anything to be made on the point of order out of what I said which was upon the second reading, and I do not think there is any reason to depart from what I understand to be the rule, namely, that we are now dealing with the details of the Bill, because hon. gentlemen opposite insisted that we should deal completely with the principle of the Bill on the second reading.

Mr. PUGSLEY: Did not the minister in committee speak of the purity of his motives?

Mr. DOHERTY: That was not in committee.

Mr. PUGSLEY: Did not the minister in committee say that he was proud of the Bill?

Mr. DOHERTY: No.

Mr. PUGSLEY: I think the minister has forgotten.

Mr. DOHERTY: All that burst of eloquence was for the benefit of the House. Since we have become a committee, I think even my hon. friend from Carleton (Mr. Carvell) will do me the justice of saying that I have been very reserved in my observations.

Mr. CARVELL: A great change has come over the dreams of the minister since we came into committee.

The CHAIRMAN: Under the rules of this House, the details of a Bill are discussed in committee. Subsection 5 of rule 13 says:

> Speeches in Committee of the Whole must be strictly relevant to the item or clause under consideration.

The hon. member for North Cape Breton (Mr. McKenzie) read many telegrams not at all connected with the section, and, on a section, he was discussing supposed motives in regard to the Bill. Under these circumstances, I must decide that the hon. member was out of order.

Mr. McKENZIE: I will abide by your ruling, Sir, and I will not read these telegrams, but I have not finished my remarks.

Mr. CURRIE: As you have ruled in that way, I think, Sir, you should rule that those telegrams be struck out of Hansard. I would ask for a ruling on that point.

Mr. McKENZIE: This purist from North Simcoe (Mr. Currie) does not want the truth to be known.

The CHAIRMAN: It is for the committee to decide.

Mr. CURRIE: Then put it to the committee.

Mr. McKENZIE: All that I was pointing out was that notwithstanding the fact that the shoe pinches the hon. member for North Simcoe, who seems to be the "chucker-out" of the other side when any occasion arises—

Mr. CURRIE: I rise to a point of order. The hon. member has made a reference to me which I think is unparliamentary and altogether uncalled for. Hon. members on this side who are opposed to him have been accustomed to listening to his abuse in this House and taking it in silence, but I think it is time there should be a limit set to the manner in which he abuses hon. gentlemen in violation of the rules of the House.

The CHAIRMAN: I would ask the hon. member for North Cape Breton (Mr. McKenzie) to speak relevantly to the section under discussion.

Mr. McKENZIE: Chucker-out is perhaps not relevant. I am satisfied to take that position.

Mr. CURRIE: What is a chucker-out?

Mr. McKENZIE: I am absolutely in the hands of the Chairman, and I will abide by his ruling. What I was pointing out, and what I could have pointed out without the use of any documents at all, was that improper influences were brought to bear upon this Government in connection with the Manitoba scandals from their very inception, and I have proved that from those telegrams. There is evidence under my hand, and there is, I am sure, evidence in the possession of the Government which will show that after Judge Macdonald—

Mr. CROTHERS: I rise to a point of order. Are those remarks relevant to the section under consideration?

Mr. GRAHAM: Is not the Bill embodied in one section?

Mr. CROTHERS: There is only one section.

The CHAIRMAN: I do not want to be always on my feet to call on an hon. member to speak relevantly, but I think if he would come back to the section itself and discuss its merits, that would be better.

Mr. McKENZIE: I am saying that this section should never have been introduced, and I repeat what I said before, that it has been conceived in sin and brought forth

in iniquity, and I have been attempting to show its genesis, and now we are down to its revelation.

The Minister of Justice would not have thought of this legislation were it not for his confederates from Manitoba, not one of whom is here to defend him to-night when they get him into trouble. The motives that gave rise to those telegrams are the same motives and purposes which brought about this legislation. Those telegrams are just as much part of the record as the Orders in Council that were read and put in evidence; they were put in without a word of comment. I submit that the telegrams are coming down very close to the Government when they are directed to such an important member as the Minister of Public Works. He promised that he would be active in this matter and do everything he could to protect the men who were so desperately scared that they wanted the Prime Minister to advise the removal of the Governor, and they also purposed to buy Judge Macdonald by giving a commission to his son. That is contained in those telegrams, That is the character of the influence that was brought to bear upon this Government, when finally, after everything else failed, they introduced this legislation to block the trial. That is my criticism of this Bill.

Mr. PUGSLEY: My hon. friend the Minister of Justice questioned a statement which I made this afternoon that the Crown prosecutor, after he asks jurors to stand by, can then only challenge for cause,—cannot challenge peremptorily.

Mr. DOHERTY: He has his four peremptory challenges.

Mr. PUGSLEY: My statement was that he must exercise his peremptory challenges first. If he orders jurors to stand by after that, he can only challenge for cause. My hon. friend questioned that, and I should like to refer him to section 928 of the Criminal Code, which I think will convince him I was right. My statement was in accordance with what I always understood the law to be; that was my recollection of the way the law was administered when I happened to be in charge of the administration of the criminal law in my own province. Section 928 says:

> If, by challenges and directions to stand by, the panel is exhausted without leaving a sufficient number to form a jury, those who have been directed to stand by shall be again called in the order in which they were drawn, and shall be sworn, unless challenged by the accused, or unless the prosecutor challenges them and shows cause why they should not be sworn.

So I think it is absolutely clear that the counsel for the Crown, if he desires to exercise the right of peremptory challenge, must do so before he orders the jurors to stand by.

I think that the views which have been presented by my hon. friend from North Perth (Mr. Morphy) are views which ought to have very great weight with the Minister of Justice, and if nothing else will prevail upon him, they ought to have the effect of inducing him to withdraw the Bill from the consideration of the committee. There is no more loyal supporter of the Government in this House than that hon. gentleman. He has had a long experience in legal matters, and I have no doubt much experience in the administration of the criminal law. As a Government supporter, bound as he would be to the Government by just the same ties that bind us on this side of the House to our leader, it would be with great reluctance that he would present a different view. I take it that my hon. friend, disposed as he would be to view favourably government measures, has felt constrained to express his opinion against this Bill and to state that he will vote against it at every stage on which it may be presented for consideration. My hon. friend has presented the view that we may have prosecutions of more than usual importance in this country. That is just possible; I do not know whether it may be so or not. But I do say that every man who wishes to see the criminal law of this country properly administered should take the position of my hon. friend from North Perth and vote against this Bill. It is a Bill which is calculated to weaken and to paralyse the administration of justice in important cases in which public feeling is roused, and I say that from a long experience extending over 35 or 40 years in administering the criminal laws, and in prosecuting for the greater part of that time. I know of many, many cases where I have had 75 to 100 jurymen summoned because of the widespread feeling that existed in the community, and if I had been limited in the right to "stand-by" the jurors to 48, as this Bill proposes, leaving 50 jurors whom I would have not right to "stand-by," no right to challenge peremptorily, whom I could only challenge for cause, and if, as is provided by this Bill, I had had to call witnesses or make affidavits showing why I should be allowed to "stand-by" additional

jurors, my efforts in administering the law would, for reasons which any lawyer will understand, have been very much hampered, and, indeed, almost paralysed.

Is it wise to pass a law of this kind at any time? My hon. friend from North Perth refers to the present time, but at any time, in the interests of society, in the interests of good government, in the interests of the proper administration of the criminal law, is it wise to make an amendment which will weaken the administration of justice, and give greater opportunities for the escape of criminals? Is it wise to do that without the slightest evidence being presented to this committee that any evils have resulted from the present law, or that there has been any dissatisfaction on the part of the public with the way in which the law has been administered?

Reference has been made to our judiciary. I take pride, as other hon. gentlemen do, in the fact that with few exceptions here and there, this country has reason to be proud of its judiciary. But I think the same may be said of those from whom the judiciary of this country is constituted; that is, those who are practising at the Bar, and particularly those who have been charged, as Attorney Generals, Solicitor Generals and King's Counsel, with the prosecution of criminals and with discharging the most important functions in connection with the administration of the criminal law. Speaking generally, just as generally as one can speak, with regard to the judiciary of this country, they have performed their duties honestly and well, and I do not think they have ever shown—at all events, not to my knowledge—any desire but to do what is absolutely fair as between the Crown and those who have been accused of violating the law. But do not weaken their hands. We know how desperately an accused will fight for his liberty or his life.

We know how desperately his counsel will fight for him, and no blame can be attached to him for doing so. It requires the greatest judgment, the greatest care, and the most minute inquiry with reference to the personnel of a jury to get a fair and impartial jury, prepared honestly to discharge its duty and to do justice as between the Crown and the prisoner at the Bar. The difficulties surrounding the work of Crown counsel are very great. Forty or fifty years ago Parliament passed this law, giving to those who are indicted for murder the right to challenge summarily and peremptorily twenty of the jurors, and giving them an unlimited right to challenge for cause; limiting the right of the Crown to challenge peremptorily only four members of the jury, and providing that unless a jury, consisting of twelve members, were unanimous in their verdict, there could be no conviction, and still leaving upon the statute book that right of the Crown counsel to cause the jurors to stand by. I say we should hesitate before we weaken the law as it has stood there all those years, ever since this country has been a confederation, and particularly without any evidence or any suggestion that any evils have existed in connection with the administration of that law. I appeal to my hon. friend, as one who knows something of the administration of the criminal law and the difficulties which surround it, and the difficulties which stand in the way of securing convictions, to withdraw this Bill. He is bringing it before the House without any complaint from the Attorneys General of the provinces of Canada, who are charged with the administration of the criminal law, and whose duty it is to see that criminals are punished. Without consulting them or asking their advice, the Minister of Justice, who has nothing to do with the administration of the criminal law except so far as recommending the passage of statutes in this Parliament is concerned, is seeking to make this radical change, this change of enormous importance in the constitution of the courts which are to try criminals, and this without seeing that there has ever been the slightest evil or cause for dissatisfaction. I do not think he ought to do it. I do not think he should press this Bill. My view is that he should simply ask that progress be reported, and allow the matter to pass over in that way.

Mr. D. A. LAFORTUNE (Montcalm) (translation): Mr. Chairman, I have been listening with a great deal of attention to all that has been said on both sides and I absolutely concur in the statement which has been made, namely, that the amendment to the Act, now before you, is a most important one.

The administration of justice, in the province of Quebec, where I have had the honour of being the Crown prosecutor for almost twelve years past, has not taken cognizance of any error; nothing, absolutely nothing has happened, nor has been done that might justify the hon. Minister of Justice for introducing this Act.

I have practised at the Bar, before the assizes, several years before I was appointed Crown prosecutor, I have heard the most

influential men, the most distinguished speakers who ever passed before the assizes, and never did any one surmise that the amendment now proposed could have its raison d'être.

I have just heard the hon. member for Laval (Mr. Wilson) who, is not a novice in our assizes—he is certainly one of the most distinguished lawyers practising before that tribunal—and when he was discussing the inopportunity of this Act a few moments ago, it were only doing him fair and full justice to tell the hon. members of the House that the reasons offered by the hon. member for Laval are absolutely right, and I beg leave, Mr. Chairman, to add a few words to what he has stated.

The sherriff who has in his hands the municipal lists of the whole Montreal district, uses those municipal lists when choosing, appointing or summoning the grand jurors as well as the petit jurors, and taking them, as far as possible, from the various counties comprising the district.

We have the right, the Crown attorneys as well as the lawyers for the defence, to look into the summons of the grand and petit jurors and the delay granted both the grand and petit jurors, in their respective classes, is only granted with a view to finding out whether there have been any errors or complaints. If they have any reason to offer for being exempted or discharged, they report to the Crown Attorney or to the clerk of the court and it is up to them to study their cases. If they are not qualified to act as petit or as grand jurors, we immediately replace them; we give the sherriff order to discharge them and to summon other men to replace them before the opening of the term.

The Crown, under the present Act, has the absolute right of saying "stand aside," when a juror is called, without stating any cause. It would be really painful, it would even be humiliating for the Crown to give the reasons for which we accept or do not accept the juror who has been summoned.

The hon. Minister of Justice does not realize in what a state of perplexity he would put the Crown, were we obliged to state the reasons why we want a larger number of jurors than the forty-eight he proposes. It would be rather humiliating to state before the public, before the jury, before the sixty jurors who have been summoned, that we need a larger number than forty-eight for the purposes of the trial. Indeed, no one thinks of the serious plights the Crown Attorney would find himself in, should we be obliged to make an inquiry, to decide the pro and con, to give the reasons wherefor it would be necessary to have more than forty-eight jurors. It would imperil both the Crown and the culprit's interest.

Mr. Chairman, the hon. Minister of Justice has just told this House that this Act will give the culprit a greater protection. I venture to say that instead of giving the culprit any protection, you will rather take away that protection from him. When sixty jurors are summoned the prisoner at the bar is entited to the opinion and assistance of these sixty jurors.

Hon. Mr. DOHERTY (translation): Will the hon. member allow me a question?

Mr. LAFORTUNE (translation): Certainly.

Hon. Mr. DOHERTY (translation): Would this objection be met if, in this Bill, we substituted sixty jurors to forty-eight? This provision would leave the province of Quebec in her present position. The difficulty we are trying to settle is the one offered in cases where there is no limit as to the number of jurors fixed by the law. As I have already stated to the hon. member for Laval (Mr. Wilson), if good reasons can be offered for justifying such a change I will not hesitate and adopt the suggestion to change to sixty the number of forty-eight. I do not know if such a provision would meet the objections of my hon. friend, but, at all events, that number of sixty jurors would leave the province of Quebec in her present condition.

Mr. LAFORTUNE (translation): In reply to the hon. Minister of Justice, I may tell him that the law, such as it is in our statutes, works perfectly, and I have never heard of any complaint, or grievance, in a word, of anything reprehensible against it. That law ordains that the sheriff of Montreal shall summon sixty jurors, of whom thirty are English-speaking and thirty French-speaking. We, therefore, summon these sixty jurors, and to anyone of them, as they are being called, the Crown has the right to say: stand aside, stay where you are, you will not concur in the formation of the jury, and that, without giving any reasons. As far as the accused is concerned, the law determines how many jurymen he has the right to challenge; he can even challenge them all for cause; for instance, if he has grievances against them, sufficient reasons to eliminate them from the jury, such as questions of kinship, of personal interest or others. If the judge decides that the

reasons offered are not sufficient, the accused has the right to recuse only a small number of the jurymen.

I may tell the hon. Minister of Justice that if he knew these matters as I do and if he wants full justice meted to all, he should put aside the smallest number of jurymen possible. In my long experience at the Bar, we have very seldom put aside more than three or four jurors, when the jury was being formed, for when the accused perceives that the Crown Attorney asks the elimination of a large number of the jurymen, he feels uneasy and believes the Crown is prejudiced against him, that it is ill inclined towards him. If the accused is in such dispositions, he will try and entangle the formation of the jury and may prevent full justice being rendered. Now, moreover, in the application of this law, it happens but very seldom that the Crown avails itself of its privilege of putting aside two or three jurors whilst the defence examines the composition of the jury and for reason of rivalries of lawsuits, of disputes or for personal reasons, generally exhausts the right it is granted by the law.

Why take away from the Crown the power it has to stand aside the number of jurors it may see fit?

As so well expressed by the hon. member for Laval, as well as by the hon. member for Perth (Mr. Morphy), that would likely tend to lessen the Crown's power, and it is desirable that we should have, as representatives of His Majesty, absolute powers. It is important that we should be given the power to summon the jury to the best of our judgment and knowledge, and also to stand aside, such and such of these jurors for any reason whatever, in order to give full justice to the accused, and here I may remind the hon. Minister of Justice that he must not forget that, as representatives of the Attorney General, we are, so to say, the standing justice and just as interested that justice be meted out as the sitting justice, himself could be, and the Crown prosecutor who would deliberately assume to exhaust the list, to exhaust the panel of jurymen, would not be worthy of his high office.

It seems to me that we should not presume that those who are called upon to assist in the fair administration of justice can take it upon themselves to do unfair acts, acts that would be regrettable or reprovable. That cannot be supposed. Should such a thing happen, as the hon. Minister of Justice has stated, the Crown Attorneys are human, they may err, just as judges may err, as magistrates may make mistakes; but there would be something most regrettable were this Bill to become law.

As stated by the hon. member for Laval, when referring to the Bill now before the House:

> "Unless the judge presiding at the trial, upon special cause shown, so order."

I doubt whether it would be wise to give the judge presiding at the trial, a discretion which the law does not allow him to-day. As I have just said, Mr. Chairman, Crown attorneys are human, they may err; judges also are human and are also liable to be mistaken. The Crown attorneys are not more interested than the judges themselves. We are not paid to win cases; the Crown attorneys are paid by the State a fixed salary, and we have absolutely no interest to do anything which might not be of a nature to render justice to the accused. It is all to the contrary, and I believe that the members of the Bar now before me will do me that justice and render due justice to those who have preceded me: Hon. Justice Lafontaine, Hon. Justice Guerin, Col. Hibbard and a great many others who have filled the office of Crown prosecutor.

I think I am not going too far when I say that these gentlemen were all honourable men about whose conduct we never heard any complaint I say then, that to give discretion to the presiding judge is a dangerous thing from the view point of the administration of justice as well as from the view point of the accused.

I should like to call the attention of the hon. Minister of Justice to the fact that if an investigation were to take place, that would necessarily cause delays, and would not permit of such quick disposal of cases as is essential in the criminal courts. When there are 150 cases on the roll, for a single term, if the Crown has to show cause in each case why more than forty-eight jurors may be asked to stand aside, if we have to investigate, it will require twice as much time to exhaust the panel.

When all the jurors have been summoned, has not the accused the right to say: "I leave it to the representative of the Crown; I leave it to his righteousness, to his honesty, to his responsibility, to his long experience and I am sure that he will do nothing, absolutely nothing to prejudice my case"?

A great deal has been said about things that took place in Manitoba. I will not speak about that, because I know nothing of the facts. I have but a very imperfect and incidental knowledge of the case. But in the province of Quebec, ever since I

have been a practising member of the Bar, I have seen many cases conducted by the most distinguished members of the Montreal Bar and perhaps of the Dominion, and it has never entered the mind of any one that a measure as the one now under discussion could be brought down.

The jurors, Mr. Chairman, are summoned for twelve days. Sixty jurors are summoned and must stay at the disposal of the Crown during twelve days. If the delay is too short; if we see that it will not be possible to get through with all the cases in the twelve days, the sheriff is instructed to summon a new panel—two and even three if necessary—and sixty jurors are summoned each time—a panel is composed of sixty jurors.

I submit, Mr. Chairman, that the Minister of Justice has given no good reason to justify the adoption of this Bill and I repeat the saying that I once heard in this House: Let well enough alone.

If the minister had stated a case or cases in order to establish the necessity of such a Bill, I would be the first man to approve of it and to say to my hon. friend: "You are quite right." If exceptional cases had been reported, if it had been established that some representatives of the Crown had taken undue advantage of their position, I would be the first man to approve of the change, but as the minister does not show cause, since he states no facts, and since he gives no good reason, I say again: "Let well enough alone."

Bill reported.

On the motion of Sir Robert Borden, House adjourned at 11.20.

Friday, August 10, 1917.

The House met at Three o'clock, the Speaker in the Chair.

THE REPORT OF JUSTICES McLEOD-TELLIER.

Sir ROBERT BORDEN (Prime Minister) moved:

That the report of the McLeod-Tellier Commission and the evidence taken before the said Commission, laid on the table of the House on July 27 ultimo and August 9 instant, respectively, be printed forthwith and that rule 74 be suspended in relation thereto.

Mr. MURPHY: Does that include the evidence taken before Judge Galt?

Sir ROBERT BORDEN: I do not think it does. I do not know whether that has been laid on the Table; I will make inquiry.

[Mr. Lafortune.]

FIRST READING OF SENATE BILL.

Bill No. 126, for the relief of Albert Edwin Gordon.—Mr. Edwards.

THE CANADIAN NORTHERN RAILWAY COMPANY.

PAYMENTS ON INTEREST ACCOUNT.

On the Orders of the Day:

Hon. GEO. P. GRAHAM: In order that the Bill in connection with the Canadian Northern may be expedited, I would ask the Minister of Finance—in his absence, the Prime Minister—to bring down a statement showing how much had been paid by the Canadian Northern Railway company on interest account under section 29 of the Act of 1914 and how much money the Government had advanced on that interest account. Section 29 reads:

The Governor in Council may at the request of the Canadian Northern out of the Consolidated Revenue Fund pay all or any portion of the first six half-yearly payments of interest on the guaranteed securities falling due after the opening for traffic as part of the Canadian Northern system of the through line from Vancouver to the city of Quebec, but in such case the Governor in Council shall not enforce the repayment thereof against the Canadian Northern under the New Trust Deed until the maturity of the principal of the guaranteed securities. The Canadian Northern shall, however, pending the repayment of interest so paid by the Governor in Council, pay to His Majesty half-yearly interest on such interest at the rate of four per cent per annum, and such interest upon interest until so paid shall form a charge upon the mortgaged premises under the New Trust Deed.

What I want to know is how much money the Government paid out on this account and how much money the company paid as interest on the interest so advanced by the Government.

Sir ROBERT BORDEN: I shall ask the Minister of Finance to see that the information is provided.

ATTENDANCE OF SOLDIERS AT POLITICAL MEETINGS.

On the Orders of the Day:

Mr. JAMES ARTHURS (Parry Sound): I wish to call the attention of the Government to a despatch appearing in the press this morning, as follows:

London, Aug. 9.—Members of Canadian forces have had their attention drawn to the King's regulations forbidding them the right of attending political meetings in uniform. A similar reminder has been issued to the Imperials.

The despatch further says that the question having been raised in the British

House of Commons, Mr. Macpherson, for the War Cabinet, replied:

I understand the War Cabinet have decided that the regulations are to be strictly and impartially enforced and soldiers are not to join soldiers' and workmen's councils.

A large number of returned soldiers are now in Canada, still in uniform—men who have done their bit and who are of no further military service, though they are still amenable to military discipline. I should like to ask the Government if they have noticed this statement and whether they will make provision whereby these men will have the ordinary citizens' rights and will not be affected by any such order as is mentioned in this despatch.

Sir ROBERT BORDEN: The attention of the Government had not previously been directed to the subject. We will give it the consideration which the hon. gentleman asks.

Mr. GRAHAM: Several soldiers are candidates.

GOVERNMENT RAILWAYS ACT AMENDMENT.

SECOND READING AND CONSIDERATION IN COMMITTEE.

On motion of Hon. Frank Cochrane (Minister of Railways and Canals) Bill No. 118, to amend the Government Railways Act, was read the second time and the House went into committee thereon, Mr. Davidson in the Chair.

On section 2—Definition:

Mr. MACDONALD: Will the minister explain the purport and effect of this measure?

Mr. COCHRANE: The effect of the Bill is to put the Government railways under the operation of the Railway Commission. Everything is put under the control of the commission except the expropriation clauses; and any actions taken against the railway go to the Exchequer Court instead of being dealt with in the usual manner.

Mr. MACDONALD: Has the minister received any representations from persons or interests in the Maritime Provinces asking that this be done?

Mr. COCHRANE: No, I have not.

Mr. A. K. MACLEAN: Or any against it?

Mr. COCHRANE: No.

Mr. MACDONALD: This measure is a very important one, affecting the business interests of the Maritime Provinces and I think that more notice should have been given to the public of the Government's intention to deal with it. In view of the other subjects that have been engaging the attention of Parliament, the people of the Maritime Provinces are not familiar with this very important measure which the minister is introducing.

In brief, it is an anomalous position that the Government which owns and has been operating a public utility and which still purposes operating it, should create a condition under which an outside body should form a sort of regulating influence upon the Government of the day. One can well understand the reason why a private company controlling a railway should be placed under the supervision and regulation of a commission. The Board of Railway Commissioners, which has been in operation for some ten years, was constituted so that the public might have the advantage of the control and regulation which a commission would have over the operations of a private company which was handling a great enterprise. The minister now says that the Government which owns and operates the Canadian Government railways, are not able to deal with this question themselves, but they must create a commission which is to direct and control them in reference to certain matters concerning the operation of this railway. That is an anomalous position and one which is entirely new in the realm of government ownership and operation of public utilities, concerning which we hear so much nowadays. Does the minister mean to say that he has no confidence in himself or in his officials, and that he must, therefore, have the benefit and advantage of the control of Sir Henry Drayton and his officials in order to properly operate this railway, because that is what is involved in this Bill?

There is another phase of the situation. The Intercolonial railway is the only railway in Canada which was constituted by virtue of the terms of the British North America Act. It will be recalled that, what were at the time of Confederation these far away provinces of the Dominion, viewed, with some doubt and misgiving, the proposition of entering the Confederation by reason of the effect that would have upon their business interests, and the scheme of constructing what was known as the Intercolonial railway was put forward by the Fathers of Confederation for the purpose of doing away with the isolation by distance of the Maritime Provinces from the

then central provinces of Canada. The viewpoint of the people of the Maritime Provinces—particularly of the province from which I come, where our industries arising out of our natural resources are of such character that to a very great degree our products so far as the markets of Canada are concerned, must be transported over the Intercolonial railway—has been that the extension of that railway as a government work, on account of the conditions which exist in consequence of the Government of the day being responsible to the people and thereby able to deal with particular matters as they may, from time to time, arise, and it is a matter which is not lightly to be disregarded. I have never heard of any agitation from any part of the Maritime Provinces that this railway should be dealt with in such a way that the Government should be under the control of the Board of Railway Commissioners, and the proposition will be viewed with a considerable degree of doubt and hesitancy by the people of those provinces. I am, therefore, surprised that at this juncture, without any preparation of the public mind on the subject, without apparently the interests affected in those provinces being considered, the minister should take such a radical step. It is due to the House and to the country that the minister or his colleagues should explain in the fullest possible manner the reasons that have led the Government to take this course, and why it is that the Government of this country want to subordinate themselves, in so far as the operation of a public utility is concerned, to the Railway Commission. Is there any reason why my hon. friend, as Minister of Railways, or his officials, could not, with regard to any phase of the operation of the Canadian Government railways, if there is any advantage to be gained by so doing, exercise this same supervision which is conferred upon the Railway Commission? This is the first time that I have ever heard of a Government of a country, which was operating a public utility, declare that they required some watch-dog to look after them, or somebody who should dictate to them what they should do. If this is to be the case with the operation of the Canadian Government railways, why should there not, for instance, be in regard to the Minister of Marine and Fisheries some board to direct and control what his movements should be as regards the operation of the vessels belonging to his department? Why should there be anybody greater or stronger than the Government of the day who should undertake to tell the Government that they should do this, that, or the other thing? Why should the Government not move in the interest of the people themselves?

In view of the absence of any suggestion from the provinces affected, and in view of the fact that the minister has never submitted the matter to the people in those provinces, I am at a loss to know why the Government should make this proposition at this time, to a very large degree in a surreptitious way. Neither the press nor the people of this country ever heard of this proposition until it was mentioned in this House the other day.

Mr. COCHRANE: As regards our not giving any notice of this proposition or of its not having been discussed, I may say that the hon. member was a member of the special committee on Bill No. 13. This matter was discussed several times in that committee, and it was urged by some hon. gentleman opposite. The matter has been discussed more or less ever since I have been in this House, and I therefore cannot take the same view as that taken by my hon. friend from Pictou (Mr. Macdonald). No matter what minister may be operating that line, there will always be a difference of opinion between him and the patrons of the road, and I think we should have this safeguard, especially as it looks as though the Government were going into further government ownership. Therefore, the more independently those government lines can be operated, the better it will be in the interest of the country. I certainly am a strong advocate of this proposition. The Railway Board is a splendid institution in the interest of this country, and as long as I am Minister of Railways, I am willing to go under their direction and to abide by and obey their decisions. The only reason why I am not putting the expropriation of lands under their control is because the Exchequer Court was created for that purpose. I am sure a number of my hon. friend's colleagues on his side of the House will agree with me that this proposition is in the public interest.

Mr. CARVELL: I am very sorry to be compelled to disagree with my hon. friend from Pictou (Mr. Macdonald), whose views on public matters are usually orthodox, but I must differ from him on the question of placing the government railways under the control of the Railway Board. My only objection is that the minister is not going

far enough. Possibly there may be some reason for withholding from the operation of the Railway Act the expropriation rights. I can quite understand that if the Crown wishes to acquire property or land, possibly the better way for the Government to obtain it is under the Expropriation Act. Then the damages are assessed by the Exchequer Court. I think possibly, so far as the Crown is concerned, it works out better than the ordinary arbitration proceedings under the Railway Act, but I never could understand why, if the Government is going to be a railway company, and is going to assume all the rights and duties of a railway company, they should not also be liable for all the obligations of a company, because, so far as the people are concerned, they are simply a public utility corporation. They have the right to build their road, levy tolls, run their engines through the country, and burn up people's property as an incident of operating a railway. You cannot run a railway by fire without having the danger by fire, or without the danger of killing the people's stock.

Mr. COCHRANE: We are providing for that.

Mr. CARVELL: I realize that in small actions we already have the right to sue the Government in the ordinary courts of the country, but I cannot see why there should be any distinction between suing the Government in the small action and suing them in a large action. I think the amount is now limited to $400.

Mr. COCHRANE: $500.

Mr. CARVELL: I had a case within the last few months which illustrates this point very well. A man living up at St. Leonard, in New Brunswick, had a barn burned in the spring of 1916, and there is not the faintest doubt in the world that the barn was set on fire by a spark from an engine on the Intercolonial, because the engine went by, and in about ten minutes the barn was on fire and consumed. The value of the property lost amounted to about $1,000.

Sir GEORGE FOSTER: That proposition would not carry you through a logical school, would it?

Mr. CARVELL: We have won lots of cases under just such circumstances.

Sir GEORGE FOSTER: That is the way the lawyer gets along.

Mr. GRAHAM: No wonder they kick on the judges.

Mr. CARVELL: The circumstances I have related are good evidence. I have won cases on just such evidence, and other counsel have succeeded on similar evidence. It is a good cause of action. But the difficulty was, here was a poor farmer, and I had to advise him that, unless he reduced his claim to $500, his only recourse was to sue the Government in the Exchequer Court. He would have to see the Minister of Justice and get a fiat authorizing him to bring the suit. Then he had to fight it out in Ottawa. The man said to me: "I will lose my farm. It is out of the question. I could not do it." I do not want to go so far as to say that I advised him to start the lawsuit, but at any rate he would not do it, because he said "I am not going to take chances of losing all the rest of my farm. I have lost my barn and my personal property, but I want to keep my farm." I wrote to the minister and it was referred to the general manager, and he sent somebody up there a second time. They sent the claims agent who turned the thing down in the first instance, and I do not know whether they have settled or not. I think they have arranged the matter. However, that is a case in point. If we can bring an action in the ordinary courts up to $500, why on earth should we not use them for $1,000 or $5,000? Surely the ordinary courts of any province in Canada are to be trusted in an action against the Crown, just as well as the Exchequer Court is trusted. The litigants and solicitors all over Canada know the practice and know their rights. You can tell a man in the province of New Brunswick: "I can bring an action for you in the Supreme Court of New Brunswick; it will be tried at home, under our ordinary laws and rules." And he will say: "All right, I am sure I will get justice." And he brings the action. But if you tell him he has to go to Ottawa and get the consent of the Minister of Justice before he can start his suit, and that it must be tried by the Exchequer Court, he says, "No, that is beyond my means," and he will not do it. For these reasons I think the Minister of Justice might very well consider the advisability of not withdrawing from the operation of this Bill suits against the Crown. If he wishes to withdraw the right of expropriation, I have not much objection. As to the general principle, perhaps I ought to state that I think I was the first member to suggest, in the proceedings of the special

committee on Bill 13, for the codification of the Railway Act, that the Intercolonial should be brought under the operation of the General Railway Act of Canada. I have heard very much discussion about it, I do not know whether it would be popular or unpopular in the Maritime Provinces, because it has not been discussed to any great extent, and I was not approaching it from that standpoint at all, but from the standpoint of one who has had some practice in the courts, and some knowledge of railway affairs, and I do not see why one railway should be singled out in Canada to be governed by different laws and different principles from those that govern all other railways in Canada, especially as it is a government railway. There is no earthly difference in the object of the Intercolonial and that of any other railway. The object ought to be to serve the public at a fair remuneration, and give the people the very best service which possibly can be given for the money. I am not finding fault with the present minister in what I am going to say, because his conduct, or his operation of the road, is only a continuation of what has taken place for a great many years. Therefore, there is no political significance in this statement.

I think I am voicing the sentiments of every hon. gentleman in this House who has travelled and has had business with the Intercolonial, and with other railway companies, when I say that everybody admits that a very unsatisfactory condition of things exists, as far as the Intercolonial is concerned. You are tied up by all sorts of rules and regulations. If you want a siding put in on the Intercolonial it will take you six months before you can obtain consent to it, because the first man you go to will put the responsibility on somebody else, and then the second man will put the responsibility on somebody else, and finally, after a process of elimination, they will get it back to the minister, and the minister eliminates everybody else and gets it back to the general manager, and probably at the end of six months you might get a decision, and I would not say that you would get what you want. There ought to be some way by which you could go to a board like the Railway Board and let them lay down the law. They would say that the Government of Canada, if they are going to be a railway company, ought or ought not to give the man the accommodation which he demands. Get away from all political feeling, and give the people to understand that politicians have nothing to say about it. Under the ordinary railway law, if you want a siding, or a right to establish a certain thing, or if a certain right be taken away from you, you go to the Railway Board, and they will say yes, or no, and they will say it in about five minutes. The first time I appeared before the Railway Board I complained of the Canadian Pacific railway taking a siding away from the warehouse of a client of mine, and I came there armed with quite a brief, and witnesses to substantiate the case, and I got the decision before I knew it.

Mr. GRAHAM: Did you get a fee?

Mr. CARVELL: Yes, and the siding.

Sir GEORGE FOSTER: Very much disappointed?

Mr. CARVELL: I got what I was after before I knew it. That is the way business is done by the Railway Board. If that had been a government railway I would not have got the decision yet, and that is eight or ten years ago. I give this illustration to show the great benefit of having these matters under the Railway Board, instead of under a political management. I do not care whether it be my hon. friend the Minister of Railways who is operating it, or my hon. friend from South Renfrew (Mr. Graham), it is a political affair, and you cannot get away from it. The present operation of the Intercolonial is a political operation, and as long as it is run as a government road I am afraid it will be a political operation.

An hon. MEMBER: Not necessarily.

Mr. CARVELL: My hon. friend says "not necessarily." Well, there must be a great regeneration in the minds of the people of Canada if you can run a government railway without having it a political affair. I think my hon. friends opposite will pretty nearly agree that what I am saying is correct.

Sir GEORGE FOSTER: If my hon. friend from Pictou (Mr. Macdonald) had charge of it, he would run it as a non-political railway.

Mr. CARVELL: Possibly he would, but he is an outstanding exception. Ordinary people obey the ordinary laws of humanity. You can talk all afternoon showing wherein you can get things done under the Railway Board on the Intercolonial, which you cannot get done at the present time. I know many people in the Martime Provinces fear that there may be an increase

in freight rates if the road is placed under the control of the Railway Board. I would be very sorry indeed to see such a result, but we must realize that Canada is facing the most serious financial condition she ever dreamed of, and if the Government is going to run a public utility it must be run on business principles. It must be made to pay, if it is right and proper it should pay. While I would be sorry to see an increase in freight rates, still if it is necessary in order that the road may be run as a business proposition, the rates should be increased. Those are things we have to face, and I am getting old enough that I would like to see these utilities run on a business basis, so long as they are going to take the place of utilities that ought to be run on a business basis.

The press has been paying some attention to me in the last few days in connection with my views on public ownership, and I rather feel like reiterating them. My hon. friend the Minister of Railways may be a good business man, but he cannot run a railroad, as a government railroad. I think if he were president of a company railroad, and were running it as a business proposition, I would have about as much confidence in him as in any man I know, but he is not big enough to control the politicians, and he is not big enough to give the service we should have on the Intercolonial. Compare the service on the Intercolonial with the service on the Canadian Pacific, and you will wonder if both roads are in the same country. If a man starts out on a journey on the Intercolonial he allows twenty-four hours leeway. If he wants to be in Montreal on a certain day, he is pretty sure of being there at the same hour the day following, whereas if he travels by the Canadian Pacific railway he is safe with fifteen or twenty minutes leeway.

Mr. COCHRANE: That is all nonsense.

Mr. CARVELL: No, it is not nonsense. I know what I am talking about. I travel by the Canadian Pacific railway once a week, and I travel by the Intercolonial about once every three months. I have never travelled over the Intercolonial in the last ten years that I have not registered a vow of "never again." I have broken my vow, but I always register it. This condition of affairs is not the fault of the minister. It is the fault of the system. It is the fault of government ownership, or government operation. If you can get the Intercolonial established on a business basis in certain things, and get certain rights from the Railway Board, it might have a rejuvenating effect on other portions of the railway. For those reasons, I am in favour of the proposition, except I think the minister should place the rights of suit against the railway under the ordinary law of the land, and treat the Intercolonial as an ordinary public utility, subject to all the laws and obligations of the country; and if it trespasses upon a man's rights he should be entitled to go before the ordinary courts of justice to obtain redress, just as he would do if he were dealing with the Canadian Pacific railway or any other private corporation.

Mr. MARCIL: It must be admitted that the Intercolonial occupies a unique position among the railways of Canada. It was built as part and parcel of the Confederation arrangement. The Intercolonial railway has had many difficulties to overcome, and if the road had been built merely for commercial purposes, probably a very different route would have been followed. For various reasons they were obliged to follow the route they did in order to overcome natural obstacles, to fulfil political considerations, and to complete the bargain that had been arrived at in the Maritime Provinces. I have heard it contended in this House on many occasions that the Intercolonial railway, the Post Office Department, and various other branches of the public service which are operated by the Government for the benefit of the public, should not be operated merely for the purpose of making money. The Intercolonial railway is not in the position of an ordinary private company with dividends to pay. The Intercolonial is serving a great public purpose along a route where a private company would have been very loath and very slow to build a line. The road is subject to water competition over practically its whole length. We are told that it was built in that way because the Imperial Government requirements had made it necessary that it should be close to the water. However, that is a remote question at the moment. About twenty-five miles of my constituency is served by the Intercolonial. I know if anything is sent direct to Halifax or St. John the same rate prevails on the Intercolonial as on the Canadian Pacific railway, but in what position would the people residing between the terminal points be, following the change now contemplated? Will the rates be reduced, or will they be increased? Every one

admits the fact that the creation of the Railway Board of Canada was a boon to the public. At the time this board was organized it was said by the Hon. Mr. Blair, then Minister of Railways, that any man in Canada could send a postcard to the board and secure justice from it. Personally, I believe the board has done immense service to the public. I would like to know from the minister if this change will confer any advantage on the people of Bonaventure county, for instance, who have no other railway but the Intercolonial?

Mr. COCHRANE: All I can say is that the rates will be subject to the Railway Board. They cannot be raised without the consent of the board. I hope and trust they will not be lowered, because we would like to get something for running the road.

Mr. MARCIL: Are the rates now in effect on the Intercolonial railway in that district lower than they would be on a corresponding railway where there is competition?

Mr. COCHRANE: The Intercolonial Railway rates are lower than they are on the regular railways.

Mr. MARCIL: Is it proposed to have them increased as a result of this transfer to the Railway Board?

Mr. COCHRANE: That would depend on the Railway Board.

Mr. MARCIL: Would the Governor in Council still have some control, and be able to take the peculiar situation of those communities into account, or will they be left to the tender mercies of the Railway Board?

Mr. COCHRANE: The whole matter will be under the Railway Board, and that is the proper place for it.

Mr. GRAHAM: It may as well be taken for granted that the result of this railway going under the Board of Railway Commissioners will be to raise the rates. Notwithstanding all that has been said, there are many points on the Intercolonial where the rates are much lower than they would be under similar conditions on a company road where there is no competition. If you were to ask the manager of the road whether it is right or wrong to raise the rates, he will shut one eye and say: "We want it under the Board of Railway Commissioners because we will then get an increase in rates which will then be put on a par with the rates charged by private companies under similar circumstances. My hon. friend from Carleton (Mr. Carvell) has talked about

sidings. He does not live on the Intercolonial.

Mr. CARVELL: Yes, I do.

Mr. GRAHAM: He lives on the Valley railway which is operated by the Intercolonial.

Mr. CARVELL: The Intercolonial has been brought within my county during the last two or three years and I have not seen any lowering of the rates. This talk about low rates on the Intercolonial under the Government is all moonshine.

Mr. GRAHAM: There was no railway where the St. John Valley railway, operated by the Intercolonial, now is. That railway came in. At competitive points rates are the same but at non-competitive points the government railway rates have been less and those rates will be raised by the Board of Railway Commissioners because this railway will be put on exactly the same basis as that occupied by a company railway. My hon. friend from Carleton is not living on the Intercolonial; he is on the St. John Valley railway and he has no sympathy with the old Intercolonial as it was constructed for political and national purposes originally. He spoke of sidings. That made me smile. I smiled inwardly and outwardly at that. If he had been on the Intercolonial and if he had wanted a siding he would not have gone to the Board of Railway Commissioners and asked for siding on certain terms but he would have gone to the Government and asked for a siding for nothing. That is one of the difficulties of the government system. Hon. gentlemen will find this entering into their own experience. There are certain conditions under which railway companies put in sidings. I think in all my experience I only found one man who wanted to comply with the conditions when asking for a siding on the Intercolonial railway. They would urge that there were special conditions under which the Government itself ought to build a siding and the men who ask for sidings do not want to make any contribution towards them. We had all these things to contend with. Under the Board of Railway Commissioners they will likely get an order for a siding but it will be on the terms that a railway company will get and that is that the gentleman making the application for the siding will have to pay a share of the cost.

Mr. NESBITT: Certainly, why not?

Mr. CARVELL: Why should he not?

Mr. GRAHAM: I am not saying that he should not but I am pointing out that in ninety per cent of the cases in which applications are made for sidings, the people applying for the sidings are not willing to be treated as they would be if they applied for a siding from a private railway company. What will happen if the application goes before the Railway Commissioners and the plea is made that the person making the application should not pay? If the Board of Railway Commissioners make an order a member need not go before the minister and say to him: Do not do this; you ought to pay for it, and my friend should not pay at all. He will have to do what the Board of Railway Commissioners order.

Mr. NESBITT: On a business basis.

Mr. GRAHAM: On a businses basis. I am pointing out to my hon. friend from the Maritime Provinces what the Bill means. My hon. friend from Carleton does not appreciate what I am trying to get at. If he had been Minister of Railways for a number of years he would see the significance of what I am saying.

There is a clause of the Bill which strikes me as rather peculiar. While the Board of Railway Commissioners will be given the right to make orders as to sidings, service and that kind of thing, it has no power to enforce its ruling and that is expressly provided for in the Bill. Section 4 says:

> Notwithstanding anything contained herein or in the Railway Act, His Majesty shall not nor shall the Minister of Railways and Canals be liable to any fine or penalty, nor shall the board have power to impose any fine or penalty on His Majesty or on the Minister of Railways and Canals, and no order or judgment of the Board under or in consequence of which His Majesty would have to pay or expend any money shall have any force or effect until it has been approved by the Governor in Council.

That is the anomaly of putting the government railway under the Board. It cannot impose any penalty. The Canadian Pacific railway running side by side, say, at some point, can be fined, a penalty can be imposed upon it, if it does not comply with the order of the board. But owing to the very condition of things His Majesty cannot be fined by the Board of Railway Commissioners. Unless there be some amendment by which the railway itself is divorced from His Majesty for practical purposes and can be compelled by the board to carry out its order, this Act may not amount to much.

Mr. COCHRANE: Could the minister be ordered by the board to do something and not carry out the order?

Mr. GRAHAM: That is what will happen. We will say that it would not happen with you or with me but the hon. member for East Lambton (Mr. Armstrong) might not be so strong at first if he became Minister of Railways. Suppose that the board gives an order for a certain thing to be done. Twenty strong men in the community do not want that order carried out. It may be an order that express No. 1 or No. 2 need not stop at a certain station. That is always a vexed question, you know. Suppose the board makes an order excusing an express from stopping and several prominent men in the community affected come to the minister and say: Notwithstanding what the board says, you must not carry out that order. The board is helpless to compel the railway to carry out its order. The minister may say: We will not do it. There is nothing to compel him to do it. That brings the decision of the Railway Board right back to the minister again. Would it not be possible to put the findings of the Board of Railway Commissioners in the same category as the small claims, under the Small Claims Act, under which penalties may be imposed on the railway itself up to a certain amount for not carrying out the orders of the board? It seems anomalous but if something of that kind be not done you cannot carry out the orders of the board.

Mr. SINCLAIR: Where would the money go that you would collect?

Mr. GRAHAM: The money would go to the same place that it would go if collected from the railway company.

Mr. SINCLAIR: It would go into the treasury?

Mr. GRAHAM: I presume so.

Mr. SINCLAIR: Out of which it came?

Mr. GRAHAM: It does not make any difference. I say that doing it at all is an anomaly. But by this Bill you give the board power to make orders and then you say it shall have no power to enforce those orders. It may be impossible to do it in any other way with a government railway but it only adds to the peculiarity of the situation created by the fact that the Government is really divesting itself of control and handing it over to a number of men appointed by itself to report to itself. It makes the situation anomalous. Unless there be some provision by which the

management itself can be compelled to carry out the orders of the board, notwithstanding this Act, the management will revert back to the minister and he will have to decide, just as he does at the present time, all questions with reference to the operation of the road.

Mr. MARCIL: Let me put a question to the hon. the ex-Minister of Railways (Mr. Graham). Does the hon. gentleman prefer that the Intercolonial should be run for the purpose, prima facie, of making money, or that it should be run for the purpose of serving the community in which it operates? Should the Intercolonial rates be so high that the road would be enabled to secure a large surplus or should the road be run as cheaply as possible but with sufficient revenue to meet the expenses, and serve the communities which are not otherwise served? Would my hon. friend prefer to increase the rates, make money and have a big surplus, or would he rather give the people reasonable rates?

Mr. GRAHAM: I think if the Intercolonial railway charged a sufficient rate to pay all its expenses and carrying charges, everybody would be satisfied.

Mr. NESBITT: I was one of those on the subcommittee of the Railway Committee who strongly recommended the minister to bring in this legislation. I am sorry it does not go further and put the Dominion railways entirely under the board with reference to expropriation and claims as well as rates, etc., because I see no reason why the government railway should not pay for lands which it expropriates just as any private corporation would.

Mr. COCHRANE: We usually pay more.

Mr. NESBITT: I appreciate that, but at the same time I do not see why the road should not be in exactly the same position. We had some experience of that in Ontario at one time and had some trouble in going through legal processes and getting fiats to make the Government pay as a private company would have to pay. There was no reason why they should not be in exactly the same position, so far as I could see, or can see now. I believe that section 4 is put in for the purpose of not bringing the railway under the board so far as expropriation and damages are concerned, but that should be made plain.

The illustration given by the hon. member for South Renfrew (Mr. Graham) with reference to sidings is one of the very forcible reasons which caused me to favour this legislation, because no one can dispute that if a private individual applied for a siding and through political influence could get that siding for nothing, that would be at the expense of the whole community and it is something that should not be tolerated.

Mr. MACDONALD: That is not done now. When the hon. member for South Renfrew (Mr. Graham) was Minister of Railways, he put into effect an arrangement under which no siding would be granted without the deposit of the cost of the rails.

Mr. NESBITT: I am glad he did that. It stands to his credit, as I am sure many other things do. That is only an illustration showing the difference between a private corporation and a government railway corporation. There should be no favouritism as to rates when this railway comes under the Railway Board. The Railway Board now in fixing rates do not consider whether there is competition, but they make a rate proportionate to the distance, just as if there were one thousand competitors. That is one of the objects of the Railway Board.

Mr. MARCIL: The Government of Canada operates telegraph lines in districts in Canada where the lines do not pay. The Intercolonial was built, not as a money-making concern, but to serve a great political purpose, and it runs through a country where there is no competition. To fix the rates there on the same basis as in North Oxford would be ridiculous.

Mr. NESBITT: Why ridiculous?

Mr. MARCIL: Because there is no competition.

Mr. NESBITT: I venture to say we give a good deal more traffic in proportion.

Mr. MARCIL: You have more railway competition too.

Mr. NESBITT: And it is according to the proportion of traffic given that the rates should be fixed.

Mr. MACDONALD: My hon. friend forgets that central Canada gets all its freight carried on the canals absolutely free.

Mr. NESBITT: I am not going into that political question at all. I do not care if they do make charge for the canals. No charge is made for our canals because they are in competition with the American canals and with the American railways.

Mr. MARCIL: Ontario gets the benefit.

Mr. NESBITT: We do not get any special benefit. If you ship anything to the West by water you get the same benefit as we do. There is no use talking about that sort of sectional questions. There is no reason why, in putting the railway under the Railway Board, the rates should be materially interfered with. If the rates are irregular and unjust in some sections of the country, no doubt the board will rectify such discrepancies and introduce uniformity. That is all we ask.

Mr. MARCIL: What remedy have the people?

Mr. NESBITT: They can pay the proper rates the same as the rest of the people in the country. That is the remedy they have.

Mr. CARVELL: Is the amendment which the minister has prepared along the line of allowing the public to bring actions against the Government in any court of competent jurisdiction?

Mr. COCHRANE: No.

Mr. CARVELL: I wish he would consider that carefully. I feel so strongly on it that I would be prepared to draft an amendment.

Mr. MACDONALD: Some of us who have lived along the Intercolonial all our lives think that we know a little more about conditions on the Intercolonial than our friend from North Oxford (Mr. Nesbitt), or our friend from Carleton (Mr. Carvell). I say that with all deference to them.

4 p.m. My hon. friend from Carleton has in his district a hybrid railway called the St. John Valley railway, which is distinguished for the amount of money that has been stolen in connection with it by Conservative politicians in New Brunswick, rather than for the amount of traffic carried on it. He has such an aversion to that road that I have no doubt he is biased against government operation of railways.

Some people who talk about the Intercolonial have forgotten that the Maritime Provinces are separated from the rest of Canada by a very narrow strip of territory, not more than 100 miles wide, stretching from the St. Lawrence to the state of Maine, and that the conditions under which Confederation was brought about 50 years ago were such that every student knows that it would not have been possible but for the construction of the Intercolonial railway and for the assurance that the people of these provinces always had and which has been maintained from that time uninterruptedly until the present time that on account of our isolation we were entitled to certain concessions and rights and privileges which do not obtain here in central Canada.

The Grand Trunk railway and various canals were established in central Canada long before there was a line of railway in the Maritime Provinces. Then came the Canadian Pacific railway, with its marvellous developments; and subsequently the network of railways that to-day runs through Quebec and Ontario. The only means of getting in and out of our province is through the thin line that runs along the south shore of the St. Lawrence from Lévis east, along the north shore of New Brunswick to Moncton and thence into Nova Scotia. Notwithstanding the conditions with regard to the size and population of that country, the Government propose to put the Intercolonial railway, in regard to freights and matters of that kind, upon the same plane as lines running through largely populated portions of Canada. My hon. friend is discriminating against that part of Canada, and disregarding the terms of Confederation. The member for Bonaventure (Mr. Marcil) asked if the local rates on the Intercolonial were lower than the rates in other parts of Canada. The minister said that they were. Does the minister want a board that he can use when he wants to put additional imposts upon the people of the Maritime provinces and whose rulings he need not obey if he does not want to? That is what he is doing here. If he wants to create company ownership of this road so that extensions may be made by companies interested in the development of our province, let him make a proposal to that effect. Notwithstanding what hon. gentlemen of this committee may say about the minister, he is running the Intercolonial under a system of patronage, consulting his political friends in every county; and he is going to do it when he gets this legislation through just as he did before. The minister dare not rise in his place and deny that assertion.

Mr. COCHRANE: I certainly do rise and say that it is not true.

Some hon. MEMBERS: Hear, hear.

Mr. MACDONALD: Loud applause from gentlemen who do not know what they are talking about. The minister has not made an appointment in the county of Pictou since he became Minister of Rail-

ways without first obtaining through his officials the certificate of the gentleman who has the patronage in that county. My hon. friend will not deny that.

Mr. COCHRANE: I say that it is not true.

Mr. MACDONALD: Will the minister say that any appointments to such positions as brakeman, cleaner or fireman have been made without his officials first consulting the gentleman who was nominated against me in my county? If he says otherwise, he will be regarded in my constituency as a gentleman whose word is not altogether consistent with the facts.

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: There is no use beating about the bush; the minister knows that it is so.

Mr. COCHRANE: It is not true. That is what I am accused of down there, but I will not play politics with it.

Some hon. MEMBERS: Hear, hear.

Mr. MACDONALD: Loud choruses from people in Ontario who do not know anything about the matter. My hon. friend's refreshing assertions will be of illuminating interest to everybody down there. If my hon. friend has not taken the advice of the gentlemen who have the patronage in the matter of appointments in that county, who else in the Conservative party did he consult?

Mr. COCHRANE: I did not consult any one.

Mr. MACDONALD: The superintendents of the divisions, when they want to employ men in any capacity, go to the gentlemen who have the patronage. It is true that the minister himself does not consult them, but his understrappers and officials have full instructions to do so. When a brakeman or trackman is to be employed the minister in Ottawa may not take the steps to which I refer, but the superintendents take the recommendation of the men who have the patronage. My hon. friend himself may be all right; but he knows that orders have gone forth in this regard, and that they are obeyed in respect of appointments that are made. If the minister wants to deal with this matter fairly, let him wipe out entirely the system of patronage. If he is going to raise the rate of freight to the people of the Maritime Provinces, let him deal with the whole matter; let us not have the railway run by one political party, in the interest of that party, without regard to the terms of Confederation, to the proper considerations involved in the question of rates, and to the isolation of our part of the country. I do not speak in a sectional way about this matter. Hon. gentlemen from Central Canada and the West forget that this thin line of territory of one hundred miles is the only territory binding the Maritime Provinces to the rest of the Dominion, through the medium of this one railway. No matter how we may develop our resources down there, if we look for a home market—as we all naturally do look—when we sell our products we can ship them to other parts of Canada only over this one line of railway. At the same time, we purchase manufactured goods from that part of Canada where such goods are manufactured, and we have to pay the impost which is made upon us in respect of the long haul necessary to reach our far-away part of the country. There can be only one purpose in the bringing up of this matter: that of increasing the rates. That might as well be definitely understood. My hon. friend is going to give to the commission power to do certain things—to increase the rates, forsooth—but if the railway causes the destruction by fire of the property of a man who lives along the railway line, the minister will say to him: It is true that the operation of the railway is now under the Railway Commission, but when it comes to our destroying your property, we are not going to give to you the same remedies that are obtainable by persons living in other parts of Canada. You cannot sue us without coming to the Exchequer Court and getting a fiat. And this notwithstanding the fact that a man who lives along the line of the Grand Trunk or the Canadian Pacific railway can immediately proceed in any court in event of damage occurring or an accident taking place. My hon. friend is not fair in that. He should accede to the request of the member for Carleton and, if the object of this proposal is to increase the rates, give to the people the same remedies that the people in other parts of the country have when they are dealing with a company railway. Under the legislation introduced by the member for South Renfrew (Mr. Graham) when he was Minister of Railways, in the case of the killing of animals, the causing of fires or the occurrence of accidents, in respect of which the damages do not exceed $500, the matter can be adjudicated—

Mr. COCHRANE: It was only $200 when I came in.

Mr. MACDONALD: When the man who suffers damage to the extent of $500 is able to obtain remedy in his local courts, why should the man whose damage exceeds $3,000 be obliged to proceed in the Exchequer Court? If that man lived in any other part of Canada he could get remedy in a local court. My hon. friend must admit that that is not a fair position for him to take. Some remedy for that ought to be found in this Bill. For myself, I would like to see patronage, no matter what party might be in power, absolutely done away with in all the public services of the Dominion. Party patronage is a disease that is sapping at the vitals of this country in regard to every dollar that is being expended for war or other purposes, and it ought to be wiped out. If the result of this measure would be in any way to bring about that end, it would have my fullest accord, even if it did involve extra expenditure to the province from which I come. But if we are simply to have the extra expense and at the same time the burden together with inconveniences which people in other parts of the country do not have—

Mr. COCHRANE: People in any part of the country in which the Government expropriates property have, if matters cannot be amicably adjusted, to come to Ottawa to have their claims disposed of.

Mr. MACDONALD: I am not dealing with the question of expropriation of property; I am dealing with the question of a railway inflicting damage upon a man's property. If a railway in central Canada damages a man's property, that man can have his remedy in the local court. That is not the case with us, and it is a hardship for the people living in remote parts of the Dominion to have to bring their cases into the Exchequer Court.

We hear the cry: Why should not the people along the Intercolonial railway pay the same rates as other people do? I am not speaking in any sectional way, but before larger questions occupied the arena of this country, it was one of the favourite occupations of certain of the press of Ontario to discuss seriously making the people who live along the Intercolonial railway pay higher rates. They forgot altogether that exactly the same sum of money as was spent on the Intercolonial railway was spent by the Dominion in the construction of the canal system, which was their means of transportation, and for the use of which not a dollar is asked from the businessman who transports his goods along those canals.

Mr. COCHRANE: The use of those canals in bringing goods from the Northwest down to the lower provinces lowers the freight to you.

Mr. MACDONALD: We are dealing with a population in my province of 500,000 and with a population of about two millions in Quebec. The minister apparently thinks everything that is transported along the canals goes down into our province.

Mr. COCHRANE: No.

Mr. MACDONALD: The transportation of goods on the canals does not involve in any considerable degree the carrying of goods to the Maritime Provinces, because of the extra cost of the second handling. No goods come to our country by sea; the goods that come to our country are carried by rail.

Mr. NESBITT: Does the hon. member not realize that the mere fact that the existence of the canals reduces the freight rates on the railways, inures to the benefit of the people in the Maritime Provinces?

Mr. MACDONALD: My hon. friend is very solicitous for the people of the Maritime Provinces.

Mr. NESBITT: I am not a bit solicitous; it is my hon. friend who is solicitous.

Mr. MACDONALD: The freight rates on the railways of central Canada are fixed by the Board of Railway Commissioners, and according to the minister the rates fixed by that board are higher than the rates charged on the Intercolonial. I am not complaining about the fact that the canals are carrying this freight. I am glad to see that those great waterways provide means for the transportation of the products of the country. What I complain of is the talk of those gentlemen who occasionally feel it their bounden duty to tell us in the Maritime Provinces: You must pay more.

Mr. NESBITT: We do not say so.

Mr. MACDONALD: That has been said in this House, and it has been stated in the press of the country for the last fifteen years. If the minister is going to deal with this proposition, of what use is it submitting a Bill to Parliament which says: We are going to refer certain matters set out in the schedule to the Board of Railway Commissioners, but if we do not like to

obey that board we need not do so. That is what my hon. friend says, because that is the meaning of this section 4:

4. Notwithstanding anything contained herein or in the Railway Act, His Majesty shall not nor shall the Minister of Railways and Canals be liable to any fine or penalty, nor shall the Board have power to impose any fine or penalty on His Majesty or on the Minister of Railways and Canals, and no order or judgment of the Board under or in consequence of which His Majesty would have to pay or expend any money shall have any force or effect until it has been approved by the Governor in Council.

The result is that you are under the board and you are not under the board. If the Government are not satisfied with an order made by the board, the Government need not pay any attention to it. If the Government want to resort to the board as a cover to enable them to get something done, they can say to the people: Oh, the board ordered us to do that.

Mr. COCHRANE: We would hear from the hon. member in this House if we did not obey the decisions of the board.

Mr. MACDONALD: The minister will not find that I will attack him if he will obey the decision of the board.

Mr. COCHRANE: They will certainly be obeyed so long as I am Minister of Railways.

Mr. MACDONALD: Then why does the minister insert the section which expressly provides that the board need not be obeyed? All I plead for in connection with this matter—and I do not put it on sectional lines—is this: That our friends in other parts of Canada should remember the conditions under which our Maritime Provinces are. We buy our goods in central Canada and there is this long haul. Our maritime position would enable us to go to the United States seaboard for the purchase of goods, but the Intercolonial railway was created for the purpose of developing interprovincial trade and it has done so. For years the complaint was made that there was no return traffic from the East to the West and that our industries and conditions in the Maritime Provinces did not give to the Intercolonial that return which would enable it to earn a profit. As we have gone along developing all our industries, our products have reached a stage which enables us to furnish to the Intercolonial a very large and increasing traffic. The minister now says that the rates are lower in the Maritime Provinces. I say: They have a right to be lower on account of the isolation. That is all I plead for. I do not complain about anything concerning other parts of Canada, or about the people in any other part getting fair consideration. Numerically, we are small, and we are isolated on account of this narrow strip of territory through which we must go to get East or West. But do not let us in this Parliament approach the consideration of this question from this standpoint: Oh, the Intercolonial railway has been getting along with less freight than obtains in any other part of the country and the people should be compelled to pay higher rates.

The primary need of this railway is to give a service to the people living along the line, and by reason of the fact that this railway was constructed under the terms of Confederation, there was, by the express representation made by the public men of that day, guaranteed to the people of the Maritime provinces special considerations in regard to freight rates which should not be taken away. I do not give my hon. friend credit for being actuated by the sentiments I have mentioned as existing in certain parts, but do not let us approach this measure from the standpoint that the rates should be raised.

Mr. COCHRANE: I did not say that.

Mr. MACDONALD: Let there be no discrimination against the people of the Maritime Provinces by compelling them to go to the Exchequer Court to have their claims settled, whereas men in central Canada can have their claims settled in the provincial courts. That is all I say in regard to this matter, and a Bill of this kind, which does not deal with the whole question is quite inadequate. As I said in my opening remarks the people of the Maritime Provinces ought to have been consulted on this question and their views taken into consideration before the minister introduced this legislation.

Mr. J. E. ARMSTRONG: As a member of the Railway Committee, I am surprised at the hon. member for Pictou (Mr. Macdonald) taking the position he has taken in regard to this measure. The matter was fully discussed at a special meeting of the committee, and the unanimous desire of the members present was that the Government railways should be brought under control of the Railway Commission. There should be no question about the importance of bringing them under the Railway Commission, and I am sure the people of Canada will heartily approve the

action taken by the minister in that regard. The hon. gentleman from Pictou calls attention to the fact that the people in the Maritime Provinces have not had sufficient notice of this matter. It is some four months since the Minister of Railways stated that the Intercolonial would be brought under the Railway Commission. The question has been pretty thoroughly discussed in the papers, in the House, and in the provinces, and general approval has been given to this measure. In addition to that, I am sure, if the hon. member from Pictou will inquire of the workmen along the Intercolonial, or along any of the Government railways, he will find the different organizations heartily approve of this measure, and I am sure the more he investigates this matter, the more satisfied he will become that the workmen and employees on the Government railways are heartily in favour of the roads being brought under the Railway Commission. The hon. gentleman must also know that the clauses in the Railway Act which deal with the questions affecting the employees on government railways will come under the jurisdiction of the Railway Commission.

Mr. MARCIL: The hon. gentleman's whole argument falls to the ground, because the Department of Railways is not obliged to submit to the rulings of the board. Will the hon. gentleman read clause 4?

Mr. J. E. ARMSTRONG: I am aware of the wording of clause 4, but the provinces in the East, through which the Intercolonial and the government railways run, have made no objection whatever to this legislation. Not one of the industries along the right of way has entered any objection whatever. In regard to the matter of sidings, which the hon. gentleman from Carleton was good enough to treat in a very fair manner, he will readily understand that the Railway Commission will have absolute power in connection with these, and will be able to deal with them just as fairly as they will deal with any other matter in connection with the road. I hope hon. members will see the necessity of passing this legislation, because it certainly is in the public interest. It was impossible, when the members of the House were before the committee, to have this provision placed in the Consolidated Railway Act, for reasons which are very apparent when you come to read the Consolidated Railway Act. I refer to such sections as the following: Incorporation of railway companies, offices, capital, shares, calls, meetings of shareholders, president and directors, contracts respecting rolling stock, purchase of railway securities, disposing of lands obtained as subsidy, purchase of railway, agreements for sale, lease and amalgamation, insolvent companies, sale of subsidized railways not kept in repair, limitation of time for construction, general powers, branch lines, naval and military lands, indian lands, lands and other companies, crown lands, leave to take additional lands, purchase and conveyance of lands, expropriation proceedings, arbitrators re lands, compensation for lands, paying money into court, respecting navigable waters.

Mr. GRAHAM: They could not deal with the government railway, unless the Government consented.

Mr. J. E. ARMSTRONG: These are a few of the many clauses in the Railway Act which rendered it impossible for us to insert this provision in the Consolidated Railway Act.

Mr. MARCIL: Are all these matters to be removed from the control of the Department of Railways and Canals, so far as the road is concerned?

Mr. J. E. ARMSTRONG: It would be impossible to have them connected up in any way with the Government Railways Act. This is the Government Railways Act.

Mr. MARCIL: I believe the Minister of Railways is sincere in this matter, but I am afraid he is getting support for this measure from a section of the country where the people are not as familiar with the conditions as they should be. From Quebec down to Halifax we have 600 miles of country with a single line of railway, without any competition whatever, with the hardest climate in Canada a winter that lasts for six months in the year. Do hon. members imagine that in that section of the country through the Matapedia valley, along the south shore of the St. Lawrence where the farmer has to put up with the hardest climate where his cattle have to be kept for six months of the year, that the rates should be the same there as in East Lambton, South Oxford, or South Essex, where the cattle are out for nine months in the year?

Mr. J. E. ARMSTRONG: Does the hon. gentleman believe the Railway Commission will take that matter into consideration?

Mr. MARCIL: Surely if the Railway Commission is going to do what the Department of Railways and Canals have been doing, there is nothing to be gained by the change. The only reason for the change is to increase the rates, and I submit that is unfair, because the construction of the Intercolonial is a matter by itself in the history of Canada. The mere construction of that road does not fulfil the bargain and conditions that were made to the people of the lower provinces. The construction of the line meant nothing in itself; it is the operation of the road that means everything. If the operation of this road had been handed over to a private company, Mackenzie and Mann for instance, as was proposed some years ago, or to the Canadian Pacific railway, as was talked about later, the rates would have been increased, and the promises made to the people of the Maritime Provinces and the people of lower Quebec at Confederation would never have been fulfilled. Mr. Blair's scheme at one time was to link up the Canada Atlantic with the Intercolonial and get to the prairies of the West; and thus the Government railway would run through Canada, from ocean to ocean, to act as a regulator of rates on other railways. That was his great argument and he secured support not only from the Liberal side of the House but his greatest admirers in the declining years of his life were on the Conservative benches. His argument was that a government road controlled by the Parliament of Canada was a great desideratum and should exist as a controller and leveller of rates. I think if our friends from Ontario consider the peculiar conditions existing from Quebec eastward with a single line of railway without any competition, with navigation for six months closed, they will see that it is unfair to the people of that locality to put the railway rates in that district upon the same footing as in the peninsula of Ontario, or in the western portion of Ontario, one of the finest parts of the North American continent. The late Sir Charles Tupper, in his great fights in Cumberland county, used to say that the day was not far distant when Halifax would be the Liverpool of North America. That prophecy has never been realized, and the people of the Maritime Provinces have lost by Confederation. Their representation has been reduced. They had 21 members in this House from Nova Scotia, and that has been reduced to 18, and will be further reduced to 16. New Brunswick had 18 members, which number was cut down to 16, and that representation will be further reduced to 11. The same may be said of Prince Edward Island. The Maritime Provinces of Canada have not been benefited by Confederation. The population of those three provinces has decreased, I suppose, by hundreds of thousands, and the Intercolonial is the one connecting link which they have for almost twelve months of the year for a large portion of the territory. That railway should be operated by the Government, and the Government should take upon themselves the responsibility of fixing the rates. They should not make a pretence of giving the power to the Railway Commission and then put a clause in the Bill by which they say they are not obliged to submit to the conditions imposed by the Railway Board.

[Mr. J. E. Armstrong.]

Mr. J. J. HUGHES: I have always understood that the construction of the government railway system was one of the inducements held out to the Maritime Provinces to bring about Confederation. Before a change such as is contemplated by this legislation is made, it is only fair and reasonable that the people of those provinces should be consulted. The disadvantages of Confederation to the Maritime Provinces have been pointed out by the member for Bonaventure, and they are apparent to everybody who considers the subject. Before the Maritime Provinces entered Confederation, and for some years after, the customs duties of Canada were very much lower than they are to-day. I am not very old, but I remember when we were importing flour from the New England States, and when the flour we bought in Ontario was carried down to Boston and Portland over the Grand Trunk or the American railways, and brought from Boston to the Maritime Provinces and Prince Edward Island by water, because the transportation facilities between Ontario and the Maritime Provinces was not in a condition to handle the traffic, or because the rates were so high that commodities could be obtained more cheaply in this roundabout way. The rates were reduced on the Intercolonial, and the conditions were so changed that not a barrel of flour now consumed in the Maritime Provinces is manufactured in the United States. Is that not to the advantage of the millers of Ontario, and is it not to the advantage of the people of the province of Ontario?

Mr. NESBITT: Do they not have to sell in competition with the United States?

Mr. J. J. HUGHES: But the duty was put on flour.

Mr. NESBITT: What about our coal duty?

Mr. J. J. HUGHES: The duty was put on to give the manufacturers of flour in the province of Ontario that advantage. What I have said in regard to flour also applies to every other manufactured commodity.

Mr. NESBITT: Why is our coal duty kept on?

Mr. J. J. HUGHES: One thing at a time. Hon. members from Ontario state continually that the rates on the government railways should be increased. Are they dissatisfied with the interprovincial trade which has been established? Do they want it decreased? Do they want difficulties placed in its way? Is not this trade a benefit to the whole country? The time is coming, I believe, when those high customs duties will be reduced, and the manufacturing interests of Ontario may then be very glad to have a competing line of railway to the Maritime Provinces, which will give them lower and reasonable freight rates. This is one of the services the Government railway performs. There would be no sense in a government railway under the circumstances under which the Intercolonial has been built charging a rate of freight that would produce a surplus revenue to the railway. It would be simply taking the money from the people as an additional tax and putting it in the exchequer. Would it not be better to follow the system which has been in operation for some years, and have as low a rate of freight as possible, in order to encourage interprovincial trade? Who would benefit from this interprovincial trade? Would it not be the people of Ontario? It has been stated here to-day, and everybody knows it to be the fact, that for the sake of interprovincial transportation and for the advantages of interprovincial trade the canals are free. No one from the Maritime Provinces or from Ontario objects to that, because it is to the advantage of the whole country. The hon. member from Pictou reminded the minister that the question of patronage had not been eliminated from the Government railway system. I wish to corroborate that statement. I do not know why the minister thinks the patronage system has disappeared.

Mr. BURNHAM: Is it not about time that somebody making those charges should specify something? Surely they could bring forward a little evidence?

Mr. J. J. HUGHES: They have been specified time and again.

Mr. BURNHAM: Will the hon. member mention some of them?

Mr. J. J. HUGHES: The patronage system is just the same as it always was. It existed under the late Government, and it is just the same under this Government. It is useless for hon. gentlemen to deny it. That only adds deception to the patronage evil. Why, a porter is not appointed on the Prince Edward Island railway unless he has the approval of the patronage committee, or Conservative candidate.

Mr. BURNHAM: Considering that this is really a covert attack upon public ownership, does not the hon. gentleman think that in all fairness it is high time to specify at least one instance of what he alleges? We are sick and tired of those general charges—throwing mud and dust like a lot of children.

Mr. J. J. HUGHES: I will refer the hon. member for Peterborough to the hon. member for Colchester (Mr. Stanfield), the ex-Whip of the Conservative party, and if my hon. friend will go to the member for Colchester——

Mr. BURNHAM: I am going to the hon. member who is making the charge, and to the man who has not pluck enough to make his charge definite.

Mr. J. J. HUGHES: I have pluck enough and I am making the charge. I make it of my own personal knowledge. Of course, I don't suppose anything I may say would enlighten the hon. member for Peterborough.

Mr. BURNHAM: That is the usual back-out.

Mr. J. J. HUGHES: I want to refer to another matter in connection with the province from which I come. As the minister knows, in that province we are under a very great disadvantage because we have a narrow gauge system. We are under additional expense inasmuch as every carload of freight going from that province to the mainland has to be transferred from the car to the boat, and freights coming from the mainland to the province has to go through the same process. Even when the car ferry is established, which I hope will be shortly, the same disadvantages will continue.

Mr. COCHRANE: Conditions are better than they were.

Mr. J. J. HUGHES: No, they are worse than they were.

Mr. COCHRANE: Then I wish to the Lord I had not done it.

Mr. J. J. HUGHES: And I wish to the Lord you had not done it, unless you complete it. Unless it is finished you leave the trade facilities worse than you found them.

Mr. COCHRANE: I certainly will not.

Mr. J. J. HUGHES: I hope not, but they are worse now than they were.

Mr. COCHRANE: They certainly are not.

Mr. J. J. HUGHES: Once the minister makes up his mind, no matter what the facts may be, he will stick to his opinion. No man can convince him he is wrong. That is one of the minister's peculiarities.

Mr. COCHRANE: You say I am wrong because I do not agree with you.

Mr. J. J. HUGHES: As some hon. gentlemen on this side has said, the member for Colchester is the only man in Parliament who can convince the Minister of Railways that he is wrong.

These conditions, these great disadvantages exist and, that being so, I ask the minister and every member of this House whether it is proper to put Prince Edward Island under this Board. The minister, or some other minister knowing the circumstances, would take into consideration the disadvantages and difficulties under which that province labours and make some concession; a board would not be inclined to make concessions not knowing the circumstances. Freight moved from Prince Edward Island is subject to an extra charge on account of so many handlings. Should not that be taken into consideration?

Mr. COCHRANE: The hon. gentleman does not know what he is talking about. We have absorbed not only the handling but the ferry too, and he does not know it.

Mr. J. J. HUGHES: Yes, I know it, and I know you charge extra for the handling.

Mr. COCHRANE: That is all the thanks I get.

Mr. J. J. HUGHES: I know that the rate obtaining on the Prince Edward Island railway is not the same rate as that obtaining on the Intercolonial for similar distances.

Mr. COCHRANE: Yes, sir.

Mr. J. J. HUGHES: There is no use in saying that, because I do business and I know the facts. We have not daily communication, we have only communication on three days in the week. Under these circumstances Prince Edward Island should be exempt from the operation of this Bill.

Mr. COCHRANE: Perhaps the board will give you all you want.

Mr. J. J. HUGHES: The minister will not give us all we want because he wants to establish a "wicked partner" in this business. If there is something he does not want to do, something that is unpopular, he will blame the Board. If there is something he wants to do himself, he will do it and take credit to himself for it. That is the kind of legislation this is and that is the kind of a system that the minister appears to wish to establish. The minister promised five years ago that he would standardize the gauge of the Prince Edward Island railway. We were promised that the car ferry would be in operation in two years from the commencement of the work.

Mr. COCHRANE: That is not true.

Mr. J. J. HUGHES: Well, five years have passed and it is not in operation. The hon. gentleman promised to standardize the road.

Mr. COCHRANE: Yes, but there is time enough for that.

Mr. J. J. HUGHES: There is not time enough.

Mr. COCHRANE: You evidently do not know that there is a war on.

Mr. J. J. HUGHES: Yes, I have heard of it.

Mr. COCHRANE: Have you? I am surprised.

Mr. J. J. HUGHES: The minister has not heard about a great many things that are taking place in the world. He does not appear to know the conditions which exist on the railway he is operating. I am pointing these things out and again I appeal to the minister's business sense and knowledge. While these things exist, would it not be fair and reasonable for the Government to retain control over the Prince Edward Island portion of the government system at least until conditions were made more equal? Surely, until we have the privilege that the people along the Intercolonial enjoy, we should not be subjected to an increase in freight rates. When we come to the seventh section of this Bill I

want to move an amendment to that effect, and I think it ought to appeal to the good sense of the members of the committee.

I regret to find that when matters of this kind are discussed, the members from Ontario seem to think that the Intercolonial is operated altogether in the interest of the Maritime Provinces. They appear to think that if there is no surplus from the road the Maritime Provinces get the benefit of it and that it is to the disadvantage of the rest of Canada and particularly of Ontario. That is the worst kind of a misapprehension. The Intercolonial is operated just as much for the advantage of the people of Ontario as of the Maritime Provinces. It is a link that binds Ontario and the Maritime Provinces together. The advantage is on the side of Ontario. We do not ship anything like the quantity of goods to Ontario that we get from that province. In the last few years the trade has been increasing and I am very pleased. It is to the advantage of the whole country that the rates on the Intercolonial should be kept at the lowest possible point. This should be encouraged by members from every province and particularly from Ontario. The people of Ontario may not always have the high customs tariff which they enjoy to-day. There is growing up in this country a very strong sentiment that the manufacturers of Ontario have too many advantages now. The West will be heard from and the Maritime Provinces feel that they have paid tribute to the manufacturers of Ontario for a long time. The manufacturers of Ontario should be careful lest this spirit be developed and their privileges be reduced. One way to prevent this reduction is to continue the rates on the Intercolonial at the very lowest possible point.

Mr. BURNHAM: It grieves me as an ordinary elector and a thorough Canadian to hear continually, year after year, the fair fame of this country aspersed by those who get up on the other side of the House and discuss the Intercolonial railway question, they, of course, coming from the Maritime Provinces. They say annually, especially against the present minister, that he is guilty of all sorts of political chicanery in the administration of the Intercolonial and just as regularly they fail to substantiate their charges. We hear, during election times in Ontario, the statement continually made that Government ownership is a failure—just look at the Intercolonial railway! All they know about the Intercolonial in that respect at least is what the defamers of the Intercolonial in the Canadian Parliament say without offering one tittle of evidence. I would go so far as to say that, of course, if they would substantiate—they have had plenty of time to do it—their accusations, whatever is wrong, if anything is wrong, should be rectified. But the hon. member for Pictou (Mr. Macdonald) is here now. I heard the hon. gentleman who has just sat down (Mr. J. J. Hughes) and who is just going out of the Chamber, but I do not expect him to substantiate what he says because he gets all mixed up. He makes one charge that the manufacturers of Ontario are a wicked lot because they do the bulk of the freight business on the Intercolonial railway and the people of the Maritime Provinces do not send an equal quantity of goods to Ontario, and yet, according to the hon. gentleman, the manufacturers of Ontario are so stupid that they wish the rates on the Intercolonial to be increased. That kind of an argument is simply nonsense. But that is not what I am dealing with. I am speaking as a patriotic Canadian citizen and asking that this annual stuff be stopped—either backed up or stopped. From one end of this country to the other we hear continually: Look at the Intercolonial. I consult Hansard in vain and I listen to these men from the Maritime Provinces in vain for one single, solitary attempt to back up what they say. They say that a porter, or a cleaner, or a charwoman cannot be appointed without the interference or connivance of the minister. That is all. They never mentioned his name or her name.

Mr. MACDONALD: I proved to the hilt this afternoon, and the minister dare not deny it, that the superintendents of the various divisions of his railway do not appoint any trackmen or men to work in locomotive shops without recommendations from the men who have the patronage.

Mr. COCHRANE: I did deny it most emphatically. It does not do any good to deny it to you.

Mr. MACDONALD: What kind of proof does my hon. friend want to satisfy himself that that kind of work is going on?

Mr. COCHRANE: You make the charge.

Mr. MACDONALD: I make the charge here and now, that in my county no man has been employed in either of these departments for the last two years except he had the recommendation of the man who had the patronage, and I defy my hon. friend to investigate it.

Mr. BURNHAM: My hon. friend (Mr. Macdonald) is a skillful lawyer, and he knows that that kind of evidence would not get him into court at all; he would not even get a non-suit on such evidence.

Mr. MACDONALD: I would not get a non-suit; I would get a verdict.

Mr. BURNHAM: The hon. member could not go into a division court, not even into a police court, with such evidence; he has got to specify. If he knows so much, surely, out of the wealth of his knowledge and information, he can at least specify something, and surely he can drag up from his numerous acquaintances somebody who will make an affidavit, even if he will not back it up. When the hon. member is challenged he says he makes the charge here, and now and the minister denies it, but the hon. member will not come forward—

Mr. MACDONALD: I say to my hon. friend, who is, of course, irresponsible—

Mr. BURNHAM: Oh, of course.

Mr. MACDONALD: — that if the minister gives me a committee I will prove it.

Mr. BURNHAM: That is what we want. The charge falls to the ground until such time as it is substantiated. Having got as far as that, at least we have three or four years' dirty work cleared up; we have had these charges made, this mud thrown, long enough, and it is now admitted by the hon. member for Pictou (Mr. Macdonald) that he ought not to touch it until such time as he attempts to substantiate it, so it will go on Hansard. I hope it will be seen by the newspapers of this country who have done so much good, conscientious work for the benefit of the country, and that they at least will see what has been meant and said by such members as the hon. member for Pictou (Mr. Macdonald) who, from time to time has made charges which he admits now he ought to at least attempt to substantiate.

Mr. MACDONALD: All I have to say is that this gentleman who gyrates around here occasionally, to the amusement of the House, and not to the edification of anybody, is talking through his hat, to use a vulgar phrase.

Mr. BURNHAM: I have not a hat on.

Mr. MACDONALD: I repeat that I make this charge: If the minister does not know that this condition is going on he ought to know it and if he will give me a committee I will prove it.

[Mr. Macdonald.]

Mr. BURNHAM: My hon. friend knows perfectly—and I say I use the words in a Pickwickian sense in order that I may be in order—that he is a moral coward when he makes such a charge as that and does not attempt to substantiate it. If the minister will give him a committee! Is it necessary to have a committee in order to have that evidence? He can at least bring forward a prima facie case, but he has not attempted to do so. He simply flings mud, not only at the minister but at the fair name of Canada. The hon. member should be ashamed to do such a thing without bringing forward one particle of evidence.

Mr. CARVELL: I want to make a charge against the minister that I will substantiate now. I think I shall satisfy the hon. member for Peterborough (Mr. Burnham) that all the Maritime members are not alike.

Mr. BURNHAM: Hear, hear.

Mr. CARVELL: Hold on, you had better hear what I have to say. I am going to charge the minister with having offered us a gold brick in this Bill, and I am very sorry to have to say it too, because I have been working here with my eyes on the book and one of my ears listening to the hon. member for Peterborough while trying to find out what this Bill really means. I am surprised how little it means. The minister said this afternoon, and I think conscientiously, that the Railway Act applied, except as to the expropriation of land and the right of bringing actions. I think that is the substance of the minister's statement. Why, there is nothing in the Bill at all. Practically all it does is to give the Railway Commission control of freight rates. I understand that the sections refer to the new Railway Act. I have here the new Act as it passed this House. I am amazed at what has been left out of this Bill. I understand that many

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things should be left out, for instance, the constitution of the Board and the application of certain principles that could not be applied to Government railways, and I understand also that the minister admitted that the expropriation of lands is left out. Everything from section 367 to 382 of the new general Railway Act is excluded from the operation of this Bill. I do not believe the minister knew this; I think some over-zealous official has prepared this Bill for him and did not tell him what it meant. I will give you what is left out. In the first place, all control of the Railway Board over telegraphs

and telephones on the railway for railway purposes.

Mr. COCHRANE: We have no telegraphs.

Mr. CARVELL: You ought to have.

Mr. COCHRANE: We ought to have, but, unfortunately, before I came in they had all been leased out.

Mr. CARVELL: But you are putting it here so that you will have no control if you get them.

Mr. COCHRANE: I think the hon. gentleman is wrong, and I do not think he intends to be. All the telegraph system on the Intercolonial is owned by other people and comes under the Dominion Railway Board to-day.

Mr. CARVELL: That may be the fact to-day, but may not be to-morrow.

Mr. COCHRANE: Why not? This is not giving us control.

Mr. CARVELL: Because my hon. friend is leasing a line from the Western Union to-day it does not mean he will lease it all next year.

Mr. COCHRANE: But we do not own it, the Government does not own telegraph lines. That is why I am finding fault. They are owned by other people and come under the Railway Board as it is.

Mr. CARVELL: You may own a telephone or telegraph line next year, and if you do you will not come under the control of the Railway Board in reference to it.

Mr. COCHRANE: I cannot put anything under them that I do not own.

Mr. CARVELL: Why purposely exclude from the powers of the Railway Board that which you may own and operate? Next, I find that you do not give to the Railway Board any power of putting wires across railways, or other wires, surely that is an important thing. You do not give the board power to permit the erection of lines and wires across or along highways.

Mr. COCHRANE: What section is that?

Mr. CARVELL: Section 373. If a telephone company want to cross the Intercolonial Railway tracks, surely they ought to have the right to go to the Railway Board and get authority to take the necessary steps. But you do not give them that right.

Mr. COCHRANE: We will put it in; there is no objection to it.

Mr. CARVELL: I do not think my hon. friend intended to not do these things, but I am pointing out to him what the facts are.

Mr. COCHRANE: I did not draw the Act.

Mr. CARVELL: I did not think my hon. friend did. It was done by some overzealous official who wanted to protect the Intercolonial railway and prevent its coming under the jurisdiction of the board. He has offered my hon. friend a gold brick, and my hon. friend has offered it to the House.

Mr. COCHRANE: Oh, no.

Mr. CARVELL: It looks that way. I do not believe that the minister is purposely trying to deceive the committee, but I am afraid that is the practical result of the legislation he has offered. The next thing to which I wish to call attention is that under this Bill the minister does not have to get the consent of a municipality for lines upon highways, etc. Surely that is an important provision for a public utility corporation. Why should the Government railway have the right to do things with respect to a municipality that an ordinary railway company could not do without first getting the consent of the board? My hon. friend is not giving to the Railway Board the power to exercise its jurisdiction over his transactions with municipalities. That is in section 374.

Mr. COCHRANE: I agree that that should be in.

Mr. J. E. ARMSTRONG: Does not section 15 of the Government Railways Act cover that objection?

Mr. CARVELL: Section 15 of the Government Railways Act is repealed by section 6 of this Bill.

Mr. COCHRANE: I am willing to have this go in; I am sorry that it is not already in.

Mr. CARVELL: After this discussion is over, the minister should ask the committee to report progress, and have the Bill redrafted. There have been a great number of omissions. The next omission is that of the provision respecting the price and supply of certain power. That is not so important; still, I see no reason why it should not be in. The next is the provision governing telegraphs and telephones. That is very important. I have some small interest in a telephone company in New

Brunswick, of which I am one of the directors. We have to do business with the Intercolonial railway; why should not the Railway Board of Canada be the arbiter between our company and the minister's company, just the same as it is between our company and the Canadian Pacific Railway company? But under the Bill as now drafted the Railway Board has nothing to say about the matter. I am not finding very much fault our company gets along nicely with the Intercolonial.

Mr. COCHRANE: I have admitted that these should go in.

Mr. CARVELL: I am pointing out what the omissions are. The next is the provision relating to marine electric telegraphs or cables. Then there is the provision with regard to Government use and construction of telegraphs and telephones. Then there is the matter of statistics. Why should not the Intercolonial railway make returns of statistics to the board just the same as any other company does? That is section 380.

I now come to another phase of the matter. Section 4 of this Bill provides:

> Notwithstanding anything contained herein or in the Railway Act, His Majesty shall not nor shall the Minister of Railways and Canals be liable to any fine or penalty, nor shall the Board have power to impose any fine or penalty on His Majesty or on the Minister of Railways and Canals, and no order or judgment of the Board under or in consequence of which His Majesty would have to pay or expend any money shall have any force or effect until it has been approved by the Governor in Council.

I agree that the Minister of Railways should not be liable to fine or penalty; nobody would assume that the minister would maliciously do anything for which he should be fined. But the latter part of this section absolutely takes away from the board the power of enforcing a decision by fine, penalty or imprisonment unless that decision is accepted by the Governor in Council. Whatever the board may do, therefore, is only a polite invitation to the Intercolonial Railway authorities that, in their judgment, certain things should be done. If the minister says no, then you cannot fine him; you cannot fine the Government; you cannot fine His Majesty. According to this Bill you cannot make the Intercolonial pay any money unless the Governor in Council says that it shall be paid.

Mr. COCHRANE: Does it not stand to reason that nothing is accomplished by putting money from one pocket into another?

Mr. CARVELL: No manager of the Intercolonial Railway Company wants to have his revenues reduced. If you make him pay the fine out of the railway moneys, he will try to run things so that he will not be obliged to pay. If his company is not subject to fines and penalties the manager will be just as independent as he has been during the last forty-five years. I admit that so far as the balance sheet of Canada is concerned, that would not make much difference; but it would make a wonderful difference in the work of the officers who are carrying on the affairs of the Intercolonial railway. Section 381 of the amended Railway Act is as follows:

> Any company, or any director or officer thereof, or any receiver, trustee, lessee, agent, or person, acting for or employed by such company, that does, causes or permits to be done, any matter, act or thing contrary to the provisions of this or the Special Act, or to the orders, regulations or directions of the Governor in Council, or of the minister, or of the Board, made under this Act, or omits to do any matter, act or thing, thereby required to be done on the part of any such company, or person, shall, in addition to being liable to any penalty elsewhere provided, be liable to any person injured by any such act or omission for the full amount of damages sustained thereby, and such damages shall not be subject to any special limitation except as expressly provided for by this or any other Act.

That provision is left out of the Bill now under consideration; therefore there is no such recourse against officers of the company as there is against the directors of a company railway. If my hon. friend wants to make this a railway company in the ordinary sense of the term, then the officials ought to be subject to the ordinary laws of the land.

The next clause that is left out is 387, which provides as follows:

> All actions or suits for indemnity for any damages or injury sustained by reason of the construction or operation of the railway shall, and, notwithstanding anything in any special Act, may be commenced within two years next after the time when such supposed damage is sustained, etc.

That is the section which provides for bringing actions against a railway company. Of course, if the minister maintains that you cannot bring actions against the Intercolonial railway except in the Exchequer Court, perhaps this provision would not be so important. Still, I think the same principle should apply in the case of the Intercolonial as in the case of any other company in the matter of the right to bring actions, regardless of what court you bring that action in.

Mr. COCHRANE: That was left out intentionally.

Mr. CARVELL: I do not think that it should be left out. The right to bring the action should be the same no matter in what court you bring it. My hon. friend has purposely, as he says, left out the court in which you are going to bring action. I wish the minister and I had the money that has been expended in the last forty years in Canada in lawsuits to define the real meaning of certain sections of the Railway Act. Let me put the matter in this way: An action is taken to the Privy Council, and you get a decision. That is the law, and that law should govern malfeasance or negligence on the part of the Intercolonial railway just the same as it would the Canadian Pacific or the Grand Trunk. That is, the right to bring action should be exactly the same against the Intercolonial as against any other railway company. The minister says that you ought not to be allowed to bring action in the same court as you can bring action against company railways. We disagree on that, but we ought to agree on the fact that the law should be the same, and this legislation should make it without doubt that the law is the same; that the same principles of law apply against the Government railway as apply against any other railway. We come next to section 397, which provides for a penalty in case any structure such as a bridge, or tunnel, or any overhead structure does not comply with the requirements of the board. The board has no power, under this Bill as it is now drafted, to order the Intercolonial railway to construct a bridge of a certain pattern or to carry out certain specifications.

Mr. COCHRANE: I think that is provided for.

Mr. CARVELL: No, it is left out. I have not had an opportunity to compare this specifically with the Government Railways Act, but section 397 of the General Railway Act is purposely omitted from this Bill. That means that the provisions of section 397 do not apply to the Intercolonial. The same is true of section 398, which says:

> Every company which shall erect, operate or maintain any bridge, approach, tunnel, viaduct, trestle, or any building, erection or structure, in violation of this Act, or of any order or regulation of the Board, shall for each offence incur a penalty of fifty dollars.

That means that the officers of the Intercolonial Railway can go on at their sweet pleasure and do all they have a mind to do. The Board has no jurisdiction over them, and no penalties are provided if they do what any other railway company could not do without the consent of the board. The next section covers the improper use of the highway. Under the general Railway Act, no railway can improperly use the highway of any municipality, and if they do. they are subject to a penalty. Why should not the Intercolonial railway be subject to the same penalty? In this Bill there is even omitted such a small penalty as for failing to erect sign boards—I refer to section 400 of the general Railway Act.

Mr. J. E. ARMSTRONG: The hon. member for Carleton (Mr. Carvell) means that the sections mentioned at the end of section 6 have been taken out of the Government Railways Act.

Mr. CARVELL: I am referring to the schedule. I have gone hurriedly over the schedule which includes the sections of the general Railway Act brought under the purview of this Bill, and section 400 is not one of those sections. The next section omitted is section 401. The next of any importance is section 403 which is very important so far as the farmers of Canada are concerned, and which provides that a railway company must remove all thistles and noxious weeds growing on the right of way.

Mr. COCHRANE: This Bill provides for that.

Mr. CARVELL: No, it is purposely omitted.

Mr. COCHRANE: If we take the matter up section by section, we can settle it right on the spot.

Mr. CARVELL: Very well, if the minister does not want me to go on, but I am pointing out to him the enormous omissions there are. There is in the Bill practically nothing but the control of rates.

Mr. J. E. ARMSTRONG: Most of the sections dealing with highways, bridges, fences, injuries to cattle, walking on the track, are still in the Government Railways Act.

Mr. CARVELL: I am not so sure about that, because I have not had time to go over them all. But why leave the sections in the Government Railways Act, instead of adopting the sections in the general Railway Act applying to the same matters? Every section of the general Railway Act which provides for a penalty of any kind seems to have been omitted. That is the general principle upon which the drafting of this Bill has proceeded. Take the section regarding noxious weeds and this-

tles. There may be something in the Government Railway Act which provides that noxious weeds and thistles shall be removed from the right of way, but there is in the Government Railways Act nothing which provides a penalty against the Government if they do not remove the weeds or thistles. In the General Railway Act, there is a penalty applied to the railway company which fails to carry out the provisions of it, and it is the penalty that has been removed from this Bill. Section 403 says:

(1) Every railway company which fails or neglects to cause the thistles and all noxious weeds growing on the right of way, and upon land of the company adjoining the railway, to be cut down, or to be rooted out and destroyed, each year, before such thistles or weeds have sufficiently matured to seed, or which fails or neglects to do anything which it is required by law to do for the purpose of cutting down, or rooting out and destroying such thistles and weeds before they have sufficiently matured to seed, shall incur a penalty of two dollars for every day during which such failure or neglect continues.

The second section says that the mayor, reeve or chief officer may remove the noxious weeds and thistles, and the company may be compelled to pay the expenses. That is in the General Railway Act, but that is omitted in the Bill as drafted, and, therefore, we have no protection against the Government railways if they fail to remove those noxious weeds and thistles. The next section omitted is section 406, which provides:

(1) If any company refuses or neglects to comply with any order of the Board, made upon the report of the inspecting engineer, under the authority of this Act,—

(a) directing any repairs, renewals, reconstruction, alteration or new work, material or equipment to be made, done or furnished by the company upon, in addition to, or in substitution for any portion of the railway; or,

(b) directing that, until such repairs, renewals, reconstruction, alteration and work, materials or equipment are made, done and furnished to the satisfaction of the Board, no portion of the railway in respect of which such order is made shall be used, or used otherwise than subject to certain restrictions, conditions and terms by such order imposed.

Then it provides the penalty that if they refuse to carry out this they shall pay a penalty of not less than $2,000. All that is omitted in this Bill. The next is section 407 regarding non-compliance with notice of engineer forbidding the running of trains. If an ordinary railway company violates this section they are subject to a penalty of $2,000. The Minister of Railways can do this, and he goes scot-free. Section 408, which is very important, provides:

Every railway company which wilfully or negligently omits to give immediate notice as by this Act required, with full particulars, to the Board of the occurrence, upon the railway belonging to such company, of any accident attended with serious personal injury to any person using the railway, or to any employee of the company, or whereby any bridge, culvert, viaduct or tunnel on or of the railway has been broken, or so damaged as to be impassable or unfit for immediate use, shall forfeit to His Majesty the sum of two hundred dollars for every day during which the omission to give such notice continues.

That is omitted from this Bill, and therefore the minister can kill people if he chooses to do so. I do not mean the minister personally; I mean that the government railways can operate in as negligent a manner as they please.

Mr. PUGSLEY: Judging by the experience of last winter, the Government would have to have a large staff to report all the accidents.

Mr. CARVELL: Probably, if they are brought under the General Railway Act, there would not be so many accidents to report, and if I have one cause of complaint against the management of the Intercolonial more than all others, it is the fact that they have laid down the law that they will not pay damages for negligence. I do not blame the minister for this. I do not know who is to blame. I have had, in the past few years, a dozen cases, small matters, a man who has had a few sheep or a cow killed, something like that—

Mr. COCHRANE: We pay in every case where we are liable.

Mr. CARVELL: You never pay anything.

Mr. COCHRANE: Excuse me.

Mr. CARVELL: There has never been one claim paid on the Valley road since it has been operated for two and a half years. They send a man up there; I do not want to mention his name here, but he was a political heeler in the county of York, and, instead of paying the claim, he will say: "I will show you that Carvell cannot make this company pay; we will show whether Carvell can make the Intercolonial pay damages or not."

Mr. COCHRANE: I am sure the hon. gentleman will make them pay, if they are guilty.

Mr. CARVELL: I usually follow them up. The hon. member from Peterborough wants to know some of the reasons why we are finding fault with the Intercolonial.

Mr. COCHRANE: The argument of hon. gentlemen opposite is that I have not done things, and, if that be so, then I hand the matter over to the Railway Board, who, perhaps, may do better.

Mr. BURNHAM: The hon. gentleman from Carleton has demonstrated that the charge of political chicanery made by him, especially in this one instance he is speaking of, falls to the ground, because the hon. gentleman says that the minister has sent a political heeler up there. To do what? To buy up the people? No, just the very opposite.

Mr. CARVELL: I have digressed from the real purview of the Act. But I say the Intercolonial is not compelled, under the law as now drafted, to send a notification of accidents. One of the most important sections of the whole Railway Act is that which gives the board power to compel the company to properly equip the trains with all modern appliances. The companies are liable to a penalty of $200 a day for every day they fail to comply with the order of the board in this respect. That is provided by section 110, but that is omitted from the Bill. The next point is that they must keep a blackboard on the wall—a small thing like that—showing the time of the arrival and departure of trains, and whether they are on time or not, and if they fail to do this, they are liable to a penalty. Even that is omitted from the operation of the Act. Section 413, which provides for a penalty if they fail to stop at a swing bridge, is omitted. Then there is a penalty under section 415, as to sounding the whistle at a crossing, and that is omitted, and that is very important. Then section 41 reads:

> The company shall incur a penalty of $100 a day if any train or engine of the company passes over any crossing where two main lines of railway, or the main tracks of any branch lines, cross each other at rail level, whether they are owned by different companies or by the same company, before a proper signal has been received by the conductor or engineer in charge of such train or engine, from a competent person or watchman in charge of such crossing, that the way is clear.

If there is anything in the world that ought to be important, it is the regulations of the board, or the law of the land, providing for the operation of the trains where one railway crosses another, and yet even that provision is removed.

Mr. COCHRANE: We are losing time over this.

Mr. CARVELL: No, I am putting it in a connected form the things which the minister has not done.

Mr. COCHRANE: We could take it up clause by clause.

Mr. CARVELL: If the minister objects, I will not go any further. I am only half way through, but I will take it up later. I think I must have given him enough to convince him that there are a great many things included in the Railway Act which are not in this Bill, other than expropriation and rights of action. The minister stated that this Bill brought the road under the Railway Act, except as to expropriations and rights of action and that is not so.

Mr. A. K. MACLEAN: A great deal has been said about the Intercolonial railway being in politics, and that this is an effort to extricate it from that position. There is no doubt that, in the management of the Intercolonial, there is more or less politics, and that will occur, no matter what Government is administering that public utility. I do not say this as a special criticism directed against the present minister, because I am bound to say that I would anticipate approximately the same condition, no matter what Government was in power. I do not think, either, that the Intercolonial railway is open to the great criticisms which we frequently hear. The hon. gentleman from Carleton has made a vow that he will never travel on the Intercolonial if he can possibly avoid it. It may be true that the through train services of that road are not as efficient as on some other roads.

Mr. COCHRANE: With equal distances I think they are.

Mr. A. K. MACLEAN: The Intercolonial performs a service in many respects very much better than that given by the Canadian Pacific, or the Grand Trunk, in many other sections of Canada. However, will this Bill take the road out of politics? After all, that is the question. I do not think it possibly can have that effect. What was the purpose of establishing the Railway Board? It was created by Parliament to interpose between railway corporations and the public, to determine what was fair, as between the railway performing the service and the public receiving the service. It was quite natural and logical, therefore, that such a body should be established to regulate and control private railway companies, but does that principle apply to government-owned railways? These gov-

ernment railways are owned by the people, administered by the people, and the service is performed for the people. Therefore, this board is not intervening between any different interests. They are exercising control over a public utility which is owned by the people and carried on by the people. I do not think the placing of the Intercolonial under the jurisdiction of the Railway Board will assist in removing political influences from the administration of the road. I quite agree with hon. gentlemen this afternoon who object to political interference in connection with the administration of the government railway. We should endeavour to get away from it. We are likely to acquire the Canadian Northern Railway. Later on we probably will be obliged to take over the Grand Trunk Pacific, and it would appear to be desirable and necessary that some scheme be worked out for the administration of these two railways, and the Intercolonial railway, freed from political interference and political influence.

I was going to suggest to the minister that it would be as well to allow this matter to stand until we have disposed of the major railway problem of this country. The acquisition of the Canadian Northern is now before us. Next year we will probably have to deal with the acquisition of the Grand Trunk Pacific, and then will arise the question of the administration of these two roads and the Intercolonial, and I trust some method may be evolved whereby they will be operated jointly free from partisan influence. It seems to me the only purpose to be served by this Bill will be the fixing and controlling of rates by the Railway Board. According to the statement of the hon. member (Mr. Carvell), a great many matters which are ordinarily within the jurisdiction of the Railway Board will be wanting in this case, and the powers which are sought to be placed in the Railway Board by this Bill practically refer only to the control of rates. The administration of the Intercolonial railway is somewhat different from the administration of other railways in Canada. Other railway systems extend from ocean to ocean. The Intercolonial is, relatively, a short road. Many problems confront the administration of the Intercolonial which are not found in other railways. This legislation seems anomalous, because you seek to introduce into the administration of the government railway another body created by the people, who own and operate the railway. Inasmuch as the Bill does not put the Intercolonial entirely within the jurisdiction of the Railway Board, I would suggest that consideration of this matter might be postponed. I quite appreciate the desire of the minister to remove partisanship from the administration of the Intercolonial, and I sympathize with him in his efforts in that direction. At the same time I think we might well let the whole matter stand until we can deal thoroughly and effectively with our other railway problems.

Mr. W. F. MACLEAN: Within a few days we are likely to take over 9,000 miles of the Canadian Northern Railway system. If that system is under the jurisdiction of the Railway Commission at the present time we should keep it under that jurisdiction. This Act will attain that object, and will protect the public rights better than if the system is changed over now, taken away from the Railway Commission, and put alongside the Intercolonial without being controlled by anybody. If that were done we will simply complicate the situation, whereas if we keep this Act as it is now, and if it applies to the Canadian Northern, there will be no disturbance, and we are simply putting the Intercolonial on the same basis as any other road.

Mr. A. K. MACLEAN: Except that if the Act is in the condition in which my hon. friend from Carleton says it is, it is incomplete. If we put the road within the power of the board at all it should be entirely within the power of the board.

Mr. PUGSLEY: Will the hon. member for South York (Mr. W. F. Maclean) allow me to ask him a question? At the present time the Railway Act applies to the Canadian Northern in respect of all those things to which the hon. member for Carleton (Mr. Carvell) has referred. The moment it is acquired by the Government, if, unfortunately, it should be acquired under the Bill now before the House, and if it is placed under government control, so that it becomes a government railway, there would be a number of clauses in the Railway Act which would not apply to it.

Mr. W. F. MACLEAN: But there would be uniformity under this Bill.

Mr. PUGSLEY: My hon. friend does not know what the hon. member for Carleton (Mr. Carvell) said.

Mr. W. F. MACLEAN: Yes, I do.

Mr. PUGSLEY: The member for Carleton pointed out that there are a great many

important sections in the Railway Act which apply to private railways like the Canadian Northern, but which are absolutely eliminated from this Bill. Clauses which are essential for the protection of the public are, for some reason which I am not able to understand, eliminated from this Bill.

Mr. COCHRANE: In answer to my hon. friend from Halifax (Mr. A. K. Maclean) I may say that what it is desired should be under the jurisdiction of the board is not so much a question of the rates as of the improvements. My hon. friend knows as well as I do that members, and every one else, wish to have improvements on the railway which are, perhaps, not justified, and they think I am a little arbitrary in not granting these improvements. They will now have the right to appeal to the board, and force me to do things I should do.

Mr. PUGSLEY: But, the minister has left that out.

Mr. COCHRANE: No, I am not leaving it out. The Bill is not through yet and I do not propose to leave those things out.

Mr. PUGSLEY: Of course, if the Bill is to be amended, it is a different thing.

Mr. COCHRANE: It certainly is. I told my hon. friend from Carleton it would be amended.

Mr. CARVELL: My hon. friend speaks about bringing in those portions of the railway law that would make the railway workable. Take, for instance, "industrial spurs," section 185—that is all left out.

Mr. COCHRANE: I don't think it is. If my hon. friend would only consent to take the Bill clause by clause, we will reach something definite. As it is, we are only wasting time. If the strict rules of the committee were followed, we would discuss the Bill clause by clause, and not as a whole.

Mr. MACDONALD: No one wishes to obstruct the Bill, but we all want to understand it. I think the explanation made by my hon. friend from Carleton, in which he shows that certain sections have been left out of the Bill which should be included, is simply assisting the passage of the Bill on a proper form. We have a right to know why the sections were left out.

Mr. COPP: Inasmuch as this Bill, if adopted, brings about such a radical change in the operation of the Intercolonial railway, it is natural that members from the Maritime Provinces, through whose constituencies the Intercolonial operates, should consider it carefully and find out why this radical change is being brought about at the present time. So far as I have been able to gather from the discussion this afternoon, there has not been one solitary reason advanced to show what advantage the Government, the country, or the Intercolonial railway will derive from the change the minister seeks to make. The only argument my hon. friend from Carleton advanced in favour of the Bill was that he had made a vow he would never travel on the Intercolonial again. So far as I can see, that is the only cogent argument offered in favour of the Bill.

I might say to my hon. friend from Carleton, without making a criticism of the argument he used, that I never would travel by the Canadian Pacific railway. This would not be an argument against the condition of that road. If my hon. friend wanted to make an argument in favour of the Canadian Pacific railway in comparison with the Intercolonial, I might make the same answer, but it is no argument why we should have this very radical change imposed upon us that the Intercolonial does not happen to be the line on which he travels. If the Intercolonial traversed the country through which my hon. friend travels, as the Canadian Pacific railway does, I venture to say that he would gladly accept the privilege of travelling over the Intercolonial. Many arguments against and criticisms of the Intercolonial are made, but I wish to say, on the other hand, that the Intercolonial has served a splendid purpose. It has served the people of the Maritime Provinces well, and it is a good railway. While it is true that, in the past, some political interference may have taken place, while it may be true of the future and while it may be that the life of the Minister of Railways for the time being may not be the most pleasant in the world, still I am sure that my hon. friend the Minister of Railways (Mr. Cochrane) will not soon forget many pleasant excursions he has made over the Intercolonial, barring the one or two unpleasant receptions he had at Moncton. But the minister in going over the Intercolonial will see evidence on every hand that the Intercolonial is serving a splendid purpose, that it is traversing a good country and giving the people of the Maritime Provinces a valuable service. If so, I would like to ask the minister what demand has been made upon him by the people of the

Maritime Provinces or elsewhere to place the Intercolonial under the Board of Railway Commissioners. My hon. friend from Carleton says that all you will have to do will be to drop a postal note or send a telegram to the Chairman of the Board of Railway Commisioners and your grievance, if you have such, will be redressed instanter. That has not been my experience with the board. I am prepared to grant that this board has proved a useful purpose. But it takes time, just as it takes time to confer with the general manager or the officials of the Intercolonial, to get matters adjusted or arranged. I have taken up matters with the Board of Railway Commissioners, and I have had to wait their pleasure to consider them and to make their findings. What is true of the Board of Railway Commissioners is true of the railway officials at Moncton.

On the question of applications for sidings my hon. friend from Carleton adduces the argument that this change must be an advantage, because, forsooth, when you wanted a siding at any point on the Intercolonial you could not get any satisfactory attention by railway officials.

Mr. CARVELL: I know of one that was done.

Mr. COPP: I know of one that was done and done very quickly but it was also removed very quickly. But that is not the rule. As far as I have been able to gather, under regulations of the Intercolonial, if a man wants a siding put in to his plant, or to an industrial concern, he makes application and puts up a deposit. Then, the railway engineers lay out the siding and put it in. The freight rates that are paid on produce or anything coming from that siding are credited to the amount of deposit put up by applicant until same is returned to him.

Mr. COCHRANE: So much a car.

Mr. COPP: I have never been able to find that to get a siding in involved a great deal of trouble or expense. My hon. friend from Carleton points out that a great many sections of the General Railway Act have been left out. The minister claims they have been omitted unintentionally and they are going to be put in by amendment to the Bill. But it does seem to me that if there is one thing more than another that is going to bear on this question it is the control and increase of freight rates. The minister says: The Lord knows, we should have the freight rates increased on the Intercolonial.

Mr. COCHRANE: No, I said they should not be reduced.

Mr. COPP: I disagree with my hon. friend in regard to that. I believe they should be reduced because they were increased very recently. A few years ago the freight rates on the Intercolonial were within reason. Annually, or at least very frequently, during the past ten years, the freight rates have been increased.

Mr. COCHRANE: So have wages and coal.

Mr. COPP: I was coming to that very point. Freight rates are being increased because my hon. friend and his officials are costing the people fifty per cent more than they did some years ago. The Government are employing high salaried officials who are absolutely unnecessary. It is the payment of higher salaries than are necessary that has caused my hon. friend and his officials to increase the local as well as through rates year after year and these rates are bearing heavily indeed upon the people of the Maritime Provinces. My hon. friend is making a mistake when he says that we should not reduce the freight rates. When you are paying officials $20,000, $15,000, $12,000, $10,000 and then down to $6,000, $7,000 and $8,000 a year, and when you are employing officials whose offices a few years ago were not in existence, you can see the necessity for increasing the freight rates. These positions have been made for these officials and these high salaries have been granted to them. Then you see these officials going about their work from station to station along the line of the Intercolonial in private cars using up the coal and the rolling stock of the country.

Mr. COCHRANE: Are there any more private cars now than before?

Mr. COPP: I do not know whether there are or not.

Mr. GRAHAM: There are a lot more at Ottawa.

Mr. COCHRANE: There are no more there.

Mr. COPP: Whether there are any more private cars now than there were ten years ago on the Intercolonial, I say it is wrong in the interest of the operation of the road. At this time of all times in the history of our country, it is unnecessary. If an official wants to go from Moncton to St. John on some little private business he goes in a

private car at the expense of the Intercolonial railway which means at the expense of the people of Canada. I have no criticism to offer in regard to the use of private cars where it is necessary. The manager of the Intercolonial, if he is going on a tour of inspection or coming to Ottawa, he may ride in his private car without meeting any objection from me because he is doing business along the road, but I do object to minor officials, if they want to go and inspect some work, say for instance on Prince Edward Island, taking a private car down to Painsec junction and to Point du Chêne and having a private car meet them to bring them back. There is a great deal of that going on. That is a small matter, I admit, but these are things that are increasing the cost of the operation of the Intercolonial railway and with this increasing cost it has been found necessary to increase the freight rates until the people who have to pay for the carriage of freight on the Intercolonial, particularly local freight, feel the burden severely. The minister will be well advised if he will take this matter into consideration, and, instead of increasing the freight rates on the Intercolonial, try to do something to reduce the expense of operation. He will thus be enabled to decrease freight rates, and to give the people the same advantages they derived from the operation of the Intercolonial years ago, when freight rates were less and the cost of operation of the Intercolonial correspondingly small.

At six o'clock the House resumed, and then took recess.

After Recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

THE CASCADE SCENIC RAILWAY COMPANY.

On the motion of Mr. W. H. Bennett that the amendments made by the Senate to Bill No. 32, to incorporate The Cascade Scenic Railway Company—Mr. Morphy—be concurred in:

Mr. GRAHAM: Some important amendments have been made here. Perhaps it will be necessary to send the Bill back to the Private Bills Committee.

Mr. W. H. BENNETT: The hon. member for North Perth (Mr. Morphy) is in charge of the Bill. I have in my hand a letter from him to this effect:

> I have been advised by the promoters of this Bill that they accept the same as amended by the Senate. I would like to have the same forthwith concurred in when the Bill comes up in the House of Commons.

The promoters of the Bill, therefore, are agreeable to the changes made in the Senate.

Mr. NESBITT: If the Bill is materially changed the rule is to send it back to the committee.

Mr. SPEAKER: I have made a cursory examination of the amendments, and they appear to me, as far as I can judge, to be in the public interest.

Motion agreed to.

GOVERNMENT RAILWAYS ACT AMENDMENT.

Consideration resumed in committee of Bill No. 118, to amend the Government Railways Act.—Hon. Frank Cochrane—Mr. Rainville in the Chair.

On section 2—Definitions:

Mr. COCHRANE: I beg to move that paragraph (b), section 2, be amended by inserting immediately after the word " railways," in line 9, the words " or ' Canadian Government railways ',' and by inserting immediately after the word " Canada," in line 13, the words " and operated under the control and management of the Minister of Railways and Canals."

Mr. CARVELL: Does the minister think that these words would be strong enough to cover the case of the Canadian Northern Railway system if the Bill which is now under consideration by the House in respect to that railway goes through? Personally, I think not. It would be a great mistake to bring the Canadian Northern Railway system under the control of this Act as it is now drafted.

Mr. COCHRANE: This amendment is merely to make statutory recognition of the designation used in labelling rolling stock.

Mr. SINCLAIR: It is not intended, then, that the Canadian Northern railway will come under this Act if the Bill dealing with that railway is adopted?

Mr. COCHRANE: I do not know. The Bill has not yet been adopted, and I cannot express an opinion.

Mr. CARVELL: It is a very important point.

Mr. COCHRANE: Upon the passing of the Act a new board of directors would be appointed for the Canadian Northern Railway system, and it would be operated separately from the other government railways.

Mr. MACDONALD: Subsection (b) of section 2 says:

"Government railways" means and includes all railways and all properties and works in connection therewith, owned, leased or in any way controlled by His Majesty in the right of his Government of the Dominion of Canada.

If the language were left as originally drafted, it might be contended that the Canadian Northern would come under the operations of the Bill. I apprehend that the minister by his amendment seeks to limit the operations of this Bill to such railways as His Majesty, through my hon. friend's department, regularly operates.

Mr. COCHRANE: Yes.

Amendment agreed to, and section as amended agreed to.

On section 3—Application of certain sections of Railway Act to government railways:

Mr. CARVELL: In view of what I pointed out this afternoon—and of what I did not point out, at the request of the minister—I think this section ought to stand.

Mr. COCHRANE: What objection do you take to this section?

Mr. CARVELL: This is the section that adopts the schedule; this section and the schedule should be considered together.

Mr. COCHRANE: There would be no objection to coming back to this section if the schedule were not carried as my hon. friend thought proper.

Mr. MACDONALD: Logically, this section ought to stand until we see what is in the schedule. If we pass this in advance, we are passing the schedule, the contents of which we do not know.

Mr. COCHRANE: All right; let it stand.

Section stands.

On section 4—No fine or penalty to be imposed upon His Majesty or the minister!

Mr. CARVELL: This section is certainly objectionable. If the railway—I do not care what you call it, the minister or His Majesty or whatever it may be—is not liable to any fine or penalty under the Railway Act, we might as well throw this Bill into the waste basket, because if that be the case, the only object of this Bill is to give the board the power to increase the rates on the Intercolonial and not to give it power over anything else. I do not think that was the intention of the minister, and I know it was not the intention of the subcommittee that had Bill No. 13 under consideration. We went over this matter, and it was the unanimous opinion of the Railway Committee that the government railways should be brought under the Railway Act. I am not trying to obstruct the passage of this Bill; I am trying to assist the minister to make it as workable as possible. If you say that this railway is going to be under the General Railway Act of Canada, and then say that is not subject to any orders of the board which mean the expenditure of money, or the payment of penalties or submission to fines, unless the matter first has the approval of the Governor in Council, then all that you are doing goes for naught, the Railway Board has practically no power at all. The Railway Board can pass an order saying that, in their judgment, certain things ought to be, but if the Intercolonial Railway authorities do not want to obey that order, they need not do so.

Mr. COCHRANE: I do not think any minister could stand the pressure.

Mr. CARVELL: Then, let us have the Bill so that we shall not have to stand the pressure. That is what we want. The minister has been up against pressure ever since he has been in office, and every Minister of Railways has been up against pressure.

Mr. GRAHAM: Surely the hon. member does not refer to me?

Mr. CARVELL: When my hon. friend from South Renfrew (Mr. Graham) was Minister of Railways, he was subject to just as much pressure as the present minister is, and just as long as it is possible for a politician to get after the minister, he will do so. I would like to see this Bill drafted in such a way that there would be no possibility of a politician getting after the minister in any of these matters. Let us put the railway under the board so that the board will have some jurisdiction over it. The minister must admit that under section 4, if the board make an order, let us say, that certain appliances must be provided, as they have a right under the Railway Act to do, and say: If you do not do this thing, we will fine you; the Intercolonial railway authorities may say: It is true the Board of

Railway Commissioners wish us to provide these appliances, but they have no power to enforce their order, they cannot punish us if we do not provide them. And some influential politician down in Moncton may say: I think if we enforce this, we shall lose votes. Therefore, it will not be enforced. This measure is the nakedest skeleton I have ever seen in my life—there is absolutely nothing to it whatever. I realize there might perhaps be a little incongruity in saying that a creation of the Crown shall have the power to fine the Crown and subject it to penalties. The difficulty is that this affects not only the Crown but all its officials. Secion 428 refers to carrying dangerous goods, and every company which does that, except in conformity with the regulations made by the board, shall be subject to a penalty of $500. But under this Bill, the Government railways can do as they please and nobody has a word to say about the matter. Section 429 provides that if any railway company improperly refuses to check baggage, they are subject to a penalty. That section is cut out of this Bill. I referred before to sections relating to making returns concerning accidents, refusal to make returns required by the board, and making false returns. Section 441, which should be discussed under this section, provides:

> For the purpose of enforcing any penalty under any of the provisions of this Act, or enforcing any regulation, order, or direction of the Governor in Council, the minister, the Board, or any inspecting engineer, made under this Act, the act, omission, or failure of any officer, agent, or other person acting for, or employed by the company, shall, if within the scope of his employment, in every case be also deemed to be the act, omission or failure of such company.

That is a very important provision of the Railway Act, but it does not apply to this Bill. Subsection 2 provides that the company is liable to the same penalty as an individual offender, but that is all cut out of this Bill, and neither the individual offender nor the company would be liable. There is a section, which I am not able to find at the moment, which provides that a railway company is liable for all acts or omissions of its officers. That section is not included in this Bill, so that any officer of the Intercolonial may be as negligent as he chooses, and the company assumes no responsibility.

Mr. COCHRANE: If we take section by section, we shall get through the Bill.

Mr. CARVELL: I am doing so.

Mr. COCHRANE: No, the hon. member is not.

Mr. CARVELL: I am just pointing out to the minister—

Mr. COCHRANE: Yes, I am not objecting to that, but we are getting away from the subject.

Mr. CARVELL: I am on the subject; I am pointing out to the minister that if he leaves section 4 as it is, then all those sections providing for penalties are absolutely nugatory—they are eliminated from this Bill. I look upon section 4 as the most objectionable section of them all, and the minister should consider very carefully whether he wishes to force this section through, or whether he will not allow this Bill to stand and change the section in some way so that the provisions of the Railway Act will apply to the Intercolonial.

Mr. J. E. ARMSTRONG: The hon. member has referred to the penalties imposed under this Bill on the company. That would mean His Majesty. Section 4 provides that no penalty shall be imposed on His Majesty. Therefore all such clauses are properly omitted. The imposition of penalties by summary proceedings would bring His Majesty into all the lower courts without a fiat.

Mr. CARVELL: If His Majesty is going to be a railway company, then His Majesty should be a railway company, and he should be subject to the laws of the land. That is what I am arguing. I do not know who has furnished that memorandum for my hon. friend, but it sounds to me as if it were furnished by the man who drafted the Bill. Why should not His Majesty, if he is to be a railway company, be subject to a penalty? If he is going to carry goods and run trains, and if he assumes all the privileges of a public utility corporation, why should he not assume all the responsibilities of it as well? I should like to see the government railways under the Railway Act, and I should like to see every section possible of the Railway Act made applicable to the operation of the Intercolonial.

Mr. GRAHAM: Perhaps I appreciate as much as any person the difficulties of the situation. It took me a full year to get the Justice Department to consent to allowing men having claims for damages on the line to sue up to the amount of $200. There seems to be a sort of aristocracy in the Justice Department which sticks to the old saying, so far as railways are concerned, that the King can do no wrong. The King, if he is running a railway, can kill a cow just the same as if he were not a King, and

he ought to be subject to the same laws so far as possible as Lord Shaughnessy is when he is running a railway. We ought to get away from that bit of mythology about the non-liability of the King when he goes into private enterprises.

I understand the legal difficulties the department has in drawing up a Bill to put this railway under the jurisdiction of the Railway Board, so long as the department insists that the King can do no wrong, even if he is running a railway. That is the proposition the Railway Department finds itself up against. Would there be a violation of the constitution, or of the divine right of kings—when they are running railways—if we put a clause in the Act reading: "For the purposes of this Act the management of the Canadian Government railways shall stand in the same position as if it were a private company." The hon. gentleman from Guysborough (Mr. Sinclair) said: But the money would be paid by the King and would go back to His Majesty. Still there would be this difference, that there would be a penalty that the management of the railway would fear—it would increase the cost of running the railway to that extent. I think, if something of that kind were placed in the Act, it would remove the difficulty and would, in the eyes of the public at least, place this railway in the same position as if it were a company railway. Would the Minister of Justice tell us what harm would be done it an amendment such as the one I suggested were placed in the Act, in legal phrase?

Mr. DOHERTY: That is a large question. What harm would be done would be difficult to say, but I think that what is asked for would be the complete revolution of a principle established and recognized in our form of government I fancy ever since it commenced, and probably much more absolute in the old days than it is to-day. It seems to me it would be a very incongruous thing to have His Majesty, even if he be running a railway, subject to be summoned before the sort of tribunal that would be imposing a penalty. I understand that this is a question of imposing penalties. I do not know why there should be any difference made with regard to the running of a railway more than with regard to any other matter, where a claim is made against Crown. I do not know that there is any greater reason for not enforcing a claim because it is connected with railway operation than there would be with regard to any similar claim resulting from the wrongdoing or negligence of an agent or employee of the Crown. The hon. gentleman asked me what harm would be done. Perhaps I might ask him, what great harm results from applying to the Crown the responsibility for what might happen in connection with anything else? The same argument that would apply to the case of the ordinary railway would apply to the responsibility of the Crown. With regard to claims arising out of the operation of this railway, precisely the same recourse would be open to a claimant which is open with regard to any other claim for which the Crown may be legally responsible; that is to say, a petition of right is open to everybody. The hon. member referred to a difficulty in obtaining consent from the Department of Justice—which is apparently held responsible for this principle of law—to have proceedings taken in ordinary form for damages up to $200. That is certainly a departure from the general practice. I think there is a great deal to be said in favour of the proposition that the Crown, at all events as regards civil liability, should be liable to be sued as other people are sued, without the formality of a petition of right. But, after all, I think that in actual practice the issue of a petition of right is, to-day at all events practically a formality; the cases in which petition of right is refused are certainly very few and very far between. I do not think there has been an instance for a long time past of the refusal to grant a petition of right where, upon the face of the contention, there was any colourable right that could be enforced. I occasionally hear my predecessor in my present office express a very liberal view—may I call it?—as to the manner in which these petitions should be granted, and I think, notwithstanding the change in the occupancy of the office, we have acted, in that regard in no less liberal manner. There is not any serious difficulty interposed in the way of any person who has a legal claim by this requirement, which is in accordance with what has been the rule and the law under our constitution from time immemorial—that there should be leave of the Crown in order that the Crown might be sued. As regards the civil liability resulting from the operation of the railway, that is the only obstacle that stands in the way of the enforcement of such legal liability. I am not absolutely familiar with the provisions of this Bill, and I have not had occasion to deal with

it personally. I understand these provisions relieve the Crown from the responsibility for penalties simply.

Mr. CARVELL: That is it.

Mr. GRAHAM: The minister has introduced a Bill to place the government railways under the Railway Commission. A private corporation running a railway must obey the orders of the board or be subject to penalty. This clause we are discussing will exempt the government railways from any fines or penalties; in other words, the Board of Railway Commissioners can order us to do something, but if we do not do it, there is no way of enforcing the order.

Mr. CARVELL: That is the point.

Mr. DOHERTY: Is there any reason to apprehend that the Government, at whose instance this railway is placed under the direction of the Board of Railway Commissioners, will fail to comply with the orders that are made? With reference to any ordinary judgment that is rendered against the Crown, there does not seem to be any reason to apprehend that it will not be satisfied. I do not know it is contemplated that they should proceed to seize the public property in satisfaction of a judgment. I think the general assumption is that where there is that direction, that the Crown shall act under the direction of any particular body, it will be complied with; but I know of no cases where there is provision for penalties being imposed upon the Crown for disobedience to directions so made. After all, is this anything more than taking the direction of the government railway, in regard to certain matters out of the hands of the Government and placing it in the hands of the Railway Board? Instead of the minister, or the Department of Justice, or the Government itself, deciding what shall be done, it will be decided by the Railway Board. After we have that decision it is for the Government to carry it out, just as it would carry out the decision of the minister or of the Government itself. I do not think the idea is to make it compulsory on the Government to do these things which are right, but to have the decision of the question of what is right for the Government to do in the carrying on of the railway operations left to the same board that decides what it is right for the railway company to do.

You get the two bodies acting under the direction of the same body. The only difference is that the railway companies generally are subject to compulsion to act, whereas with regard to the administration of a government railway. as I understand it, you have the provision in effect that operations are to be carried on under the direction of the Railway Board. It seems to me it can hardly be assumed that the law providing for the direction of the operations of this railway, which is a government railway, shall be in the hands of the Railway Board, and that you must look to means of compulsion to be exercised upon the Government to carry out the direction of that body in whose hands the direction is placed by the law itself.

Mr. DEVLIN: May I ask the minister a question? The Railway Board being subservient to the Government, can the Railway Board order the Government, which is superior to it and which is its creator, to do an act which the Government may be unwilling to perform; and the Government, acting as His Majesty and being unable to do any wrong, can its servant, or His Majesty's servant, order His Majesty to perform an act against His Majesty's will?

Mr. DOHERTY: That is precisely the condition of affairs that my hon. friend from South Renfrew (Mr. Graham) complains of. While there may be something to be said for instituting a system where you submit His Majesty—that is the country—to the same control and direction of courts or to a board of this kind as other people are subjected to, yet, until the principles to which the hon. member for Wright (Mr. Devlin) has referred are departed from in our constitutional system, I do not think we can arrive at a situation where a body appointed by the Government shall be given power to exercise compulsion on the Government.

Mr. CARVELL: My hon. friend is facing the thing pretty well, I think, but he is forgetting the fact that Canada is branching out to-day on a very much extended application of the principle of public ownership and public operation of railroads. I would not say as much as I have said on this Bill were it not for the fact that another Bill is before Parliament by which the Government proposes to take over and operate one of the great transcontinental systems of Canada. I know there is a great idea in the country that the people can operate a public utility better than a corporation can. If you take that in the sense of spending more money, multiplying officials, decreasing efficiency, and everything else that goes with government operation, I admit you may be cor-

rect. But if it means doing things on business principles, getting the best service you can out of your employees, and giving the cheapest and best service to the public, then everything that has taken place in the way of public ownership up to the present has been an absolute failure. I am trying to guard against that condition of affairs in the future, so far as the railway law is concerned. The minister says he is going to bring the Intercolonial under the control of the Railway Board. The road will then be in the same position as all other railway systems in Canada brought under government control and operation. My hon. friend says: "Can you give an instance of government-owned railways refusing to carry out the instructions or orders of the Railway Board? Of course we cannot, because they have never been under the Railway Board so far.

Mr. COCHRANE: Has any private road been fined?

Mr. CARVELL: I don't know.

Mr. COCHRANE: I do not think so.

Mr. CARVELL: I imagine if they have not it is because the law is there, and they know they will be fined. This club is held over their heads. My hon. friend asks: Can you conceive of a government refusing to obey the orders of the Railway Board? My answer is, I can conceive of it without any difficulty. I can conceive of an official failing to do what he should do, and some aggrieved patron of the road applying to the Railway Board and getting an order directing the railway to do a certain thing within a certain time. That is just where the politician will get in his work. You can quite understand that this may affect something political in the community, and the politician will go to the minister and say: Now, we are going to lose votes if this thing goes through; therefore it should not go through. It will be sent up to the council, and the council will be influenced by the same things as influenced the minister. Government officials are eternally shifting responsibility on to somebody else. I do not care who may be under the government control or in the government service, inside of six months he will be demanding more pay and less work. That is constitutional. I am not finding fault with any one official; it applies to the whole body of public officials—more pay and less work—that is the habit. You put a man in charge of a government railway, and for some reason or other he gets it into his head that he must not meet the demands of the people, and he is always warding them off. He feels that the man who makes an innovation is interfering in some way with his dignity, and he shifts it off and says, No, you cannot do that. I never had but one constituent on the Intercolonial in my life. I was thankful when we went out of office. There was only one to fire. They fired him, and I did not blame them. I could see a most wonderful change in that man inside of two years. When he went to the road he was a real active live wire; when he left it, he was a machine; his idea was—don't do anything—shift it up to the man next above—let it go on—get around your responsibility. If there was a penalty applicable to the railway, in the event of it failing to do its duty or carry out the instructions of the Board, these officials would become more like business men who run business corporations. Take the three great railways of Canada to-day, the Grand Trunk, the Canadian Pacific and the Canadian Northern; in my estimation you will find the best class of men Canada has ever produced in these companies—real live business men, who meet situations as they arise, men who make decisions, and see that those decisions are carried into effect. This is simply because the railway companies hold them responsible. The railway companies themselves are responsible for the carrying out of the directions of the board, and know full well that if they do not give the service, meet the wishes of the people, the Board of Railway Commissioners has power to compel them to do it. My contention is, if the Intercolonial were placed in the same position as a corporation is, then the railway company, as I choose to style it, will say to its employees: You must do business, and do it on business principles; if you do not, you are under the instructions of the board and you will be fined, or punished. The railway employee would then realize that he is part of this machine, and not a mere cog in the political wheel; he would appreciate the fact that he was there to help the railway, to exercise his thinking powers, and be a man of action. The country has to get service, which it does not get at the present time. After all it is a pyschological question, and it is from that point of view that I am opposed to public ownership and public operation. You never can get anything out of men who are simply government officials. They are merely waiting for four o'clock to come.

I am not blaming them at all, it is constitutional with them and they cannot help it. But surely, when we are passing laws affecting these people, we should try to frame our laws so as to get the best out of them.

When this country is about to launch into a great system of Government operation, I do hope that we will try to get what we can out of it. It will be a pretty poor service, and it will cost almost twice as much as it will under present conditions, but if we are going to have it let us see that it is efficient when we are starting. But there is a much greater principle at stake than the mere fact of taking some money out of the Crown, and that principle is that the men we have in charge of the Intercolonial shall have some spur to operate it as a business proposition. For that reason I contend that this clause 4 should be entirely changed; in fact, I think it should be eliminated altogether. I can see no reason for it.

Mr. GRAHAM: What harm would it be to leave it out?

Mr. CARVELL: Yes, and let the road be a real railway. If the King is going to run a railway, let him run it like any other man, and if he does not do it right let him pay the penalty. Why should we not extend this liability to the officials of the road and make them pay the penalty as well as the King? If you do you will get efficiency which you will not get unless there is some such drastic provision contained in this Bill.

Mr. NESBITT: I understood from the minister that he was going to amend section 4 and that he only wanted to exempt the Government railways from liability to fine and expropriation. But section 4 exempts them from everything. I should like to see the minister go very much farther than apparently this Bill intends to go with reference to bringing the railway under the Railway Board. I join with my hon. friend from Carleton (Mr. Carvell) in asking the minister to have this clause amended very materially.

Mr. SINCLAIR: I sympathize with the views of my hon. friend from Carleton, but I see great difficulties in the way of fining the King. My suggestion this afternoon as to that has not been satisfactorily answered. If you fine the King $500 it means that he pays the fine to himself and he is no worse off than before. It is probably a little annoyance to be fined, but he is no worse off—he has the money in the other pocket. I think there is something in the suggestion of the hon. member for Carleton about officials. Could we not fine the officials? This road is to be run by officials. If the Railway Board makes an order that it is the duty of an officer before he makes a change in the tariff to file it with the board, and he neglects to comply with that order, he should be made liable. If a railway company proposes to make a change in freight or passenger rates the new rates are to be filed so many days before they become effective and if the responsible official neglects to perform that duty and puts the rates in operation without filing the schedule he is fined. Why not deal with an official of the government railway in the same way? I think you would get somewhere if you decided to fine the officer of the railway if he refused to comply with the direction of the board. You would get farther than if you placed the fine on the King. No one suggests that we should put the King in jail if he refuses to pay, or that we should arrest the minister. I do not think there is anything to be gained by a step of that kind, but there is a great deal to be gained by fining the superintendent of that railway.

Mr. GRAHAM: The King will pay his fine.

Mr. SINCLAIR: No, he will not.

Mr. MACDONALD: The section under discussion is the fundamental section in regard to the whole Bill. While I personally do not agree with the principle of the Bill, I assume that we have passed that stage, and I would like to do what I can in the way of suggesting amendments to the minister so as to make this measure as workable as possible. Under section 4 the situation would be that practically any application made to the Board of Railway Commissioners would be nugatory if it were made by any other person than the Department of Railways and Canals itself. If the Railway Department choose to deal with a question, what will be the use following the provisions of the Act, of submitting it to the Board of Railway Commissioners without any certainty that the order made will go into effect? Suppose my hon. friend from Carleton, or myself, acting on behalf of a client who had some rights which he thought had been infringed by the Government—for instance, a right granted to him under any other clause of

the Railway Act—went to the Railway Commission and asked them to decide upon the matter. Suppose that the board decides in favour of our application. But when they had decided, action, so far as the individual would be concerned, would be barred and we should simply be back to the point at which we started.

Mr. CARVELL: It is simply the opinion of the board.

Mr. MACDONALD: It is simply the opinion of the board. It may be a very fair and interesting document, but in so far as getting any relief for the party interested is concerned, it has no value whatever. I am at a loss to know what the situation would be if this clause were adopted. I do not think it would be possible for a party who had made a complaint to the board to get any relief whatever. But the minister comes in with section 4 and absolutely bars the way. Although there are penalities prescribed by the Railway Act, penalties shall not be exacted of His Majesty, or the Minister of Railways and Canals. I do not think they could have been exacted any way, and therefore I think the section is pure surplusage. I do not think there is under the common law, such a thing as collecting from the Crown unless by express Act of Parliament. This section takes away a right that really does not exist in common law no matter what the judges may say. I apprehend that the minister wants the statute to be of some practical good. With reference to the difficulty that the minister speaks about in connection with proceeding against His Majesty. I remember the occasion when my hon. friend from South Renfrew (Mr. Graham) then Minister of Railways and Canals, was perfectly willing to accept enactment of the Small Claims Act, and I remember the greatest possible difficulties were suggested by Sir Allen Aylesworth, who was then Minister of Justice and who —with all the instincts of the great lawyer that he is—regarded with a sort of holy horror the idea of departing from the principle that when you are proceeding against the Crown you should proceed by petition of right. However, a system was inaugurated under which an ordinary party who desired to enforce a claim instead of being obliged under the law to go to the Exchequer Court, was permitted to proceed in the ordinary courts, not against His Majesty, but against the Government Railway Managing Board who are the parties who ought to be proceeded against. After all, as a matter of practical result, it is a pure fiction to speak of the Crown managing the Canadian Government railways. The persons who run the Canadian Government railways are the general manager and his officials, subject to the minister as a court of appeal. It is not to be assumed that the minister knows all the details of the operations which are carried on by the general manager. It is impossible to conceive that he would. The responsibility for the proper operation of the road in detail rests upon the man who has the confidence of the minister as general manager. The minister himself, in 1914, agreed that:

> In any action, suit or other proceeding, His Majesty shall not be cited as defendant, but the process shall be issued against the General Manager of Government railways, and such process may be served on him or any other person duly authorized by him to accept such service of, or be served with, processes in such cases—

Why should not the minister insert in this Bill a provision that where any right to a penalty accrues by reason of failure to carry out the orders of the Board of Railway Commissioners, the party who would be liable, mutatis mutandis, as compared with the railway company, would be the General Manager of the Canadian Government railways, or of the particular railway against which the order was made? I suggest to the minister that the difficulty could be remedied by striking out this section and simply providing in a short section by apt words that the party who should be proceeded against with the idea of enforcing the orders of the board should be the general manager of the railway from time to time. My desire in suggesting that is that both ministers may agree that we are here faced by an anomalous situation. I apprehend that the present minister is anxious in placing the government railways under the control of the Board of Railway Commissioners, to place the people operating the railway in the same position as those operating the Canadian Pacific, the Canadian Northern or any other railway, otherwise it is a work of supererogation. Why, therefore, if it is intended that the railway in its operation is to be on the same basis as a company railway, should not the provisions of the Small Claims Act be adopted so that the General Manager of the Canadian Government railways or the manager of the particular railway against whom the order is made would be responsible for the carrying out of the order?

Mr. DOHERTY: So far as this section is concerned, it does not seem to prevent what the hon. member for Pictou (Mr. Macdonald) was contending ought to be done.

Mr. CARVELL: Every section by which the officer or agent could possibly be held responsible for anything has been eliminated from this Act.

Mr. DOHERTY: The hon. gentleman referred to the Small Claims provisions. In cases where parties take their recourse before the ordinary courts as against the Crown, I do not understand that the judgment does more than determine that the Crown ought to pay the money. I doubt if in any court there is provision under which, if the Government did not provide the money to pay a claim awarded by a court, any process would issue against His Majesty to execute that judgment. Then you are in the same position with regard to an order of the Railway Board as His Majesty is with regard to the judgment of a court.

Mr. CARVELL: Parliament could take any property of the Government or of His Majesty to satisfy a judgment.

Mr. DOHERTY: Parliament could if it chose to.

Mr. GRAHAM: If a man sued His Majesty and got judgment for a small claim and His Majesty did not want to pay, how would you collect judgment?

Mr. DOHERTY: If you got your judgment under this Small Claims provision I do not think there is any means of enforcing payment; but you have a determination that you are entitled to the money, just as here you will have from the Railway Board a determination that a certain thing ought to be done.

The effect of this Act is to put into the hands of the Railway Board the determination of how tie Intercolonial railway shall be carried on and dealt with in respect of matters coming before that Board. The effect of it is not to enable the Railway Board to exercise compulsion upon His Majesty—at all events, any further than a court exercises compulsion upon His Majesty when it says that a certain sum is a proper amount for His Majesty to pay.

Mr. BOULAY (translation): Mr. Chairman, it is not my intention to discuss from a legal viewpoint the several clauses of the Bill under discussion, I will restrict my remarks to certain statements made by hon. gentlemen on the other side, in the course of the discussion, concerning the administration of the Intercolonial railway and the supposed political partisanship of the Minister of Railways.

It is not my privilege to be on the railway committee and so, I did not have the opportunity to study the Bill and much less to take part in the discussion before the committee. That is the reason why I am under the necessity of offering now those few remarks.

Hon. gentlemen from Ontario never let a session pass without raising protracted debates and indulging in recriminations against the administration of the Intercolonial railway. Should any hon. gentleman be expected to abstain from dealing with questions relating to the Intercolonial railway they are the hon. members coming from the province of Ontario, since that railway runs exclusively through Quebec and the Maritime Provinces. Yet, as I said before, at every session these hon. gentlemen are raising objections and complaining of the heavy expenditures incurred in the administration of the line. My hon. friends ought to keep in mind that we of the province of Quebec, do not begrudge them the expenditure in relation to the management of the canals or to the construction of a railway for which the country will probably never have any use—the Hudson Bay railway.

Neither do we begrudge them the millions upon millions spent by this country upon the construction of railways in the West, the advantages of which have accrued to Ontario, in a much larger measure than to the province of Quebec. As I said before, it seems to me that it would only be fair that these gentlemen should put an end to their continuous wrangles over the Intercolonial.

We are told that it stands to reason that the western interests are altogether different from the eastern interests. If, since 1867 until now, that is to say, after being confederated for fifty years, we have not been able to come to an understanding, then should it not be best to part amicably?

I heard the hon. member from Lambton (Mr. Armstrong) say this afternoon that the Intercolonial railway employees would be pleased to come under the railway commission. I do not know where he got that information, but I think it is a wild statement, because I know a number of men upon that road—a great many personally—better than my hon. friend could know

them, and I am sure that such is not their opinion.

I also remember that my hon. friend said that we, the members from Quebec and the Maritime provinces, ought not to fear any interference from the railway commission so far as the rates are concerned, adding that we would be well safeguarded against it. I shall take upon myself to ask the hon. member from Lambton who are the representatives of Quebec and the Maritime provinces upon the railway commission. It is true we have the hon. Mr. Nantel, but after all he belongs to the western part of the province of Quebec, he is not at all familiar with the conditions prevailing in the eastern part of the province, and much less, in the Maritime provinces.

We are somewhat unfairly treated on that score. We should have a representative upon the railway commission; it would only be fair. Among six representatives, we have but one who belongs to Quebec, but he comes from the western part of the province. Although there are three of them, the Maritime provinces are not represented upon the railway commission.

It seems that there is a discrimination in that respect. We cannot expect to get a fair treatment at the hands of people who are not familiar with our needs and who belong to another part of the Dominion of Canada.

The member for Carleton (Mr. Carvell) this afternoon indulged in considerable criticism of the Intercolonial railway. He said that he preferred to travel by the Canadian Pacific. My hon. friend knows—because he has been in the House a good deal longer than I have—the conditions under which the Intercolonial is run. The Canadian Pacific runs a good deal further south, and across a country in which there is much less snow than in the country traversed by the Intercolonial. Consequently, it is not surprising that it sometimes makes better time in winter than the Intercolonial. The Intercolonial goes as far north as a railroad can go, and, having regard to the weather conditions in the country between Bathurst and Campbellton and Levis, it is sometimes difficult for the trains to run on time. But under favourable weather conditions, this road competes favourably with the Canadian Pacific. When we compare the time-tables of the two roads, we find that the advantage is with the Intercolonial. Of course, sometimes the trains are late because there being a good deal of traffic on the road and because of the fact that the Intercolonial tries to give the public as much accommodation as possible by stopping at places where, perhaps, the Canadian Pacific would not stop. I think that the Intercolonial runs about 35 miles an hour, while the Canadian Pacific runs about 32. Even though the trains are sometimes half an hour late in reaching Montreal, we should bear in mind the fact that the Intercolonial is our own road and that it should be encouraged in preference to the other. Some hon. gentlemen on the other side have said that political partisanship is practised in connection with the administration of the Intercolonial. Well, I know something about the administration of that road. During some years I have not been on the best of terms with the Minister of Railways; consequently my opinion should be accepted as that of a man well posted on matters connected with the administration of the railway. The difficulty between the Minister of Railways and myself occurred because he did not want to run the road from a partisan standpoint; he did not want to do what I wanted him to do.

Mr. CARVELL: That is an honest confession.

Mr. BOULAY: He did not want to follow exactly the methods followed by the Liberal party in 1896. I say that from an independent point of view, and if I have become so independent since I have been in this House—because I was quite a Conservative when I became a member—it is because the Minister of Railways has not been running his railway from a partisan standpoint. If there is any one who deserves praise for his non-partisanship it is the Minister of Railways.

Mr. CARVELL: The minister is all right personally.

Mr. BOULAY: Let me give my hon. friend an example of the way in which the Liberal party used to treat us. One day during the political campaign of 1904 I was in a station on the Intercolonial. One of the railway employees had left his station and come down on a handcar to the next station, at which I was, a distance of about fifteen miles. He amused himself for about half an hour in insulting me on the station platform, although I had my ticket in my pocket and was waiting for the train and was quite within my rights in being there. I reported the matter at the time to the Minister of Railways, who, of course, was a Liberal, and gave him all the facts. Did I receive any justice? No. No investigation

was held. The superintendent wished to have an investigation because he thought it was only fair for a citizen to have one so that he could prove his charge. The Minister of Railways, however, acting differently from what a minister should do, forbade an investigation, and I did not have an opportunity of proving what I had stated. The result was that the man was retained in his position, and, of course, he was encouraged, and the other employees were encouraged, to insult poor fellows who happened to be Conservatives. That was the way in which we were used during the Liberal administration, but such a shameful thing has never happened on the Intercolonial since 1911.

We are satisfied with the administration of the Intercolonial. We do not expect it to do any better under the circumstances under which that road is run, and we do not wish any change. If I have said in this House anything against the administration it has not been against the way in which the road is administered, but it has always been in connection with the fact that the people of Quebec, on account of the lack of French employees, cannot get proper justice, and in what I have stated I am perfectly right. I am sure, however, it is impossible for the administration to do any better so far as the operation of the road is concerned.

The hon. member for Carleton (Mr. Carvell) spoke this afternoon about sidings. I know something about the way in which sidings are obtained on the Intercolonial. The old method used to be satisfactory, but that has been changed during the last few years. I do not object to the way in which the matter is conducted so far as the big companies are concerned. The big companies have the means to pay the expenses in connection with the building of a siding, which runs into from $500 to $1,000, but in the case of poor settlers, who very often want sidings along the Intercolonial, I think the old method should be reverted to; that is, those sidings should be built by the railway and at the expense of the railway, because a poor farmer asking for a siding is not able to pay $500 or $1,000 to a railway to build a siding. The Government would, therefore, do well to make a distinction between a siding built for a big company and one built for a private party, such as a poor settler or farmer in my province.

I would like to make a suggestion to the minister in connection with the running of the big engines that we call Santa Fe and Mikado on that part of the line between Mont Joli and Campbellton. Those engines are too large to run over that part of the road. The men whom we engage as firemen cannot stand the work on those big engines; they have to shovel ten to twelve tons of coal every day, and that is too severe a strain for a man unless he is as strong as two ordinary men. I would prefer that smaller engines be used on that part of the road, because it is physically impossible for firemen to stand the work, the reason being that there are too many grades on that part of the road, and the grades are so heavy it takes a long time to run the 105 miles between Mont Joli and Campbellton. On other parts of the road east of Campbellton and west of Mont Joli, the runs are shorter, the road is more level, and the men are better able to stand the strain and fulfil their duties. I have heard complaints from firemen who have been working on those engines, and they all say they cannot stand the work they have to perform on account of the size of those engines.

In reference to section 302 of Bill 13, I see in the schedule of this Bill that this section is included—

The CHAIRMAN Order. I wish to remind the hon. member that we are discussing section 4 of Bill No. 118, and the hon. gentleman's remarks must be relevant to this section, and he is not in order in making a general speech.

Mr. BOULAY: I have no objection, but I will come back to it.

Mr. McKENZIE: The question of the Intercolonial and its management is so very, very important to myself and the people I represent, I am afraid I should be regarded as indifferent to their interests if I did not say anything about the very important question now before this committee. In dealing with the Intercolonial we are dealing with a term of Confederation as laid down in the constitution. I wish to refer to section 145 of the British North America Act:

> Inasmuch as the provinces of Canada, Nova Scotia and New Brunswick have joined in a declaration that the construction of the Intercolonial Railway is essential to the consolidation of the Union of British North America, and to the assent thereto of Nova Scotia and New Brunswick, and have consequently agreed that provision should be made for its immediate construction by the Government of Canada; therefore in order to give effect to that agreement, it shall be the duty of the Government and Parliament of Canada to provide for the commencement within six months after

the union, of a railway connecting the River St. Lawrence with the city of Halifax in Nova Scotia, and for the construction thereof without intermission, and the completion thereof with all practicable speed.

The minister will observe that the Intercolonial is just as much a term of Confederation as the educational section in regard to the separate schools in the province of Quebec and the educational section relating to the province of Ontario. The building of it is one of the terms of Confederation.

Mr. COCHRANE: I thought it was the running of it.

Mr. McKENZIE: There is not much good in a railway, unless it is run, and the conception and the true meaning of this section is that the road shall be built, and that it shall always continue under the full and absolute control of the people as represented by the members in this House. It is not, and never was the intention of this term of Confederation that the road could be built and then passed over to some control over which this Parliament would have no supervision. I submit, therefore, that if we introduce a new element into the management of this road which lessens the power of the representatives of the people over this road, we are tampering with a term of Confederation, as New Brunswick and Nova Scotia would not have come into Confederation except for this bargain. That is laid down in the Act itself, and so important was it that this section was put in the Act.

Mr. COCHRANE: Is it any different from the terms on which British Columbia came into Confederation, when the Canadian Pacific was proposed to be built?

Mr. McKENZIE: I am sure British Columbia insisted very strenuously on the terms of Confederation being carried out, and one of the great tasks which the late Sir John Macdonald had to perform, with great energy, and under very great difficulty, was to insist upon keeping good faith with British Columbia, and helping to build the Canadian Pacific Railway long before the people of this country were really in a financial position to do it. But that provision was in the terms of Confederation with British Columbia, and Sir John Macdonald was determined that no fault could be found with him, or his Government, that they did not keep faith with British Columbia; and the promise to British Columbia was fulfilled and absolutely and fully carried out, and we never heard any complaint.

Mr. COCHRANE: Were the same conditions not imposed as in the case of the Maritime Provinces? There was nothing about the road, or rates, or anything else.

Mr. McKENZIE: There is nothing in the British North America Act about British Columbia coming in or staying out. Confederation was an actuality, a complete thing, before British Columbia came in, and Confederation would have gone on as it was whether British Columbia came in or stayed out. The terms on which British Columbia and Prince Edward Island came in, and the province of Manitoba was created, were separate and distinct contracts. Each of those provinces came in with the body of Confederation. But the original Confederation and the basic principles of the compact of Confederation embodied in the British North America Act are the parent of the whole business, and are, therefore, different from any branches or extensions which came afterward. I submit, the contract of Confederation and the statute upon which the whole fabric is based is different from the contract which Confederation, as represented by the King, made with another province. There is that very fundamental difference between the terms of Confederation itself and any terms Confederation may have made with British Columbia, or Prince Edward Island, or any province coming into the union. I mention this to show that it is a very serious thing to interfere in any way with the rights which the people have under the terms of the union. I submit, further, that the Intercolonial railway, with its management, is a very old institution. Confederation is 50 years old, and I do not know how long after Confederation it was before we had the Intercolonial. They certainly commenced building the Intercolonial shortly after Confederation, and it has been running ever since. Taken all in all I think it has given fair satisfaction to the people, and if the purposes of this new legislation is to impose a greater tax upon the people of the Maritime Provinces, or those who have to deal with the road, I would have to protest against it. I have not the lack of faith in the management of the Intercolonial by the department that some people might have. No institution is perfect, every institution has its faults; but I think for the last 50 years this road has been running that fair satisfaction has been given to the people. It is a sort of home institution. The people can approach

the management through their representatives, and, although ministers are sometimes a little domineering and high-and-mighty, after all they have their lucid moments, and we can approach them and put our views before them. We are afraid of them all the time, but sometimes they are afraid of us, and we get some things done. Fortunately they have to come down to the House with their estimates, and are called upon to give us some explanations, and the people in that way have an opportunity of getting close to the management of their own road.

I am afraid that so far as concerns the part of the country I come from, if another tyrant is introduced in the shape of this Railway Board, the people will complain that it is a new institution about which they do not know anything, and it will take them a great many years to learn how to approach it. I am sure the minister will understand that the distance between the operation of his road away down in Cape Breton and a court which sits in Ottawa, is very far, and a great drawback particularly for the people from the extreme eastern part of Nova Scotia. A man will put up with a great deal of inconvenience before he will come here to appear before the board. If it is the intention to raise the rates on the Intercolonial higher than they are, it will materially interfere with large industrial undertakings in our part of the country. Under war conditions, we should try to get along the best we can, and take mutual obligations and mutual burdens in order to keeps the wheels of industry going as well as possible. It is well known that we are largely dependent on the Intercolonial now to get our coal away. If the fact that we could not sell our coal was the only trouble it would not be so bad, but we have thousands of men, women and children dependent on the coal mines, and if the coal cannot be sold, the mines cannot be operated. I protest as vigorously as I can against raising the rate $1.40 a ton on coal in war times, when the King has taken our ships and put them in other places—where they are necessary of course, but they are taken away from the purposes for which our companies had them, that of carrying away our coal. This Government makes it practically impossible for us to sell coal to any advantage when they impose $1.40 per ton extra upon the carrying of the coal to the places where we have to sell it. I appeal to the minister through you, Sir, that this matter should be considered, and that the fuel inspector or fuel agent of the Government who is looking after it, should be consulted by the Government and the matter taken up seriously to see if there is not some way by which we can go back to the normal rates so that our people will be able to compete. I have it on the authority of our coal managers that with this extra rate of $1.40 a ton, competing with American coals at Montreal and other places is absolutely out of the question, and means the closing down of our mines, when we have no ships; and the closing down of our mines means that our men are out of work and cannot support their families.

Mr. COCHRANE: One of the mines in your section refused to sell us coal, because they have not any to spare.

Mr. McKENZIE: Which mine is that?

Mr. COCHRANE: One of the mines owned by the Nova Scotia Steel and Coal Company.

Mr. MACDONALD: Perhaps you would not pay them enough.

Mr. COCHRANE: That was not the reason they gave; they said they could not spare it.

Mr. McKENZIE: I would be very glad to know they are so busy at their mines and with their sales that they cannot sell coal to the road. I am well acquainted with their shipping facilities, and they say they have no vessels. The Intercolonial is the only railroad there, and if they will not sell coal to the Intercolonial, and cannot get it to the great centres such as Montreal and Toronto, I do not know what they are doing with it. I am instructed by some of the managers that they are really up against a difficulty which they do not know how to overcome. I wish to put myself on record as saying that while there have been some complaints about the management of the road, it has been doing fairly well. It is the people's railway, and it must continue as the people's railway, and must be managed by the people. The Minister of Railways, and this committee, and this Government, may as well make up their minds once for all that while any property is the property of the people, the representatives of the people must have something to say about it, and that the management whether for good or ill, must be subject to this Parliament and subject to the voice of the people. If we are going to run railways, or have government ownership, we may as well make up our minds that we

cannot admit any tyranny, any power about which we have nothing to say, into the ownership of our property. I think there will be less politics in the matter as we go along, but to shift it onto the shoulders of some board which we appoint ourselves and in regard to which we have nothing to say, is impossible.

Dealing with section 4, I would say as a lawyer that any talk of imposing penalties upon His Majesty is absolutely out of the question. Of course, it is His Majesty only in theory, but that theory is exceedingly important. All power, as far as our courts are concerned, is centered in the King, and it is in the name of the King that we have the courts. The humblest magistrate cannot bring a man before him under a summons or a warrant except in the name of the King. The King is the central power, and it is altogether out of the question that he will summon himself into his own court. The Parliament is a King's court, and as far as Canada is concerned, the King's highest court. We are sitting here by authority of the King. It is entirely out of the question that we shall constitute a court under this Act by which the King will be subject to penalty. Whatever other way it may be done, we must keep the source of power around which the whole machinery of justice revolves absolutely free from any entanglement of that kind, and if there is any punishment to be imposed under the operation of this Act it must be something separate, apart and distinct from the name of the King, so that any proceedings instituted can be instituted in the name of the King.

Mr. MACDONALD: Will the minister not take into consideration the points brought forward by my hon. friend from Carleton (Mr. Carvell) and myself on this section?

Mr. MIDDLEBRO: I had intended to move an amendment to section 4. Perhaps I might do it now. There is a good deal in the point raised by the hon. member for Carleton (Mr. Carvell) and others, that there appears to be no penalty or no sanction for not doing what the board orders. I think perhaps if there were some sanction or penalty on the minister for not carrying out the orders of the board, he would be put more in the nature of a private corporation, and I think the officials of the company would be more likely to carry out the directions of the board. I think they should be subject to such penalty as the board may see fit to impose upon them in case they do not carry out its orders. For instance, section 34, subsection 3, the general Railway Act, says:

> The Board may by regulation or order provide penalties, when not already provided in this Act, to which every company or person who offends against any regulation or order made by the Board shall be liable.

Subsection 4 says:

> The imposition of any such penalty shall not lessen or affect any other liability which any company or person may have incurred.

That imposes on the minister the duty of carrying out the order which the board makes and in addition to that I think there should be some penalty for not doing so. I would therefore, with the consent of the minister, move:

> That clause 4 be struck out and that the following be substituted therefor:
> "Notwithstanding anything contained herein, or in the Railway Act, His Majesty shall not, nor shall the Minister of Railways and Canals, be liable to any fine or penalty except such as may be imposed by the Board, and no order or judgment of the Board under or in consequence of which His Majesty would have to pay or expend any money shall have any force or effect until it has been approved by the Governor in Council.

The effect of that would be that if the board made an order against the Minister of Railways and Canals under this Act he would have to comply with that order and pay such fine as the board imposed.

Mr. CARVELL: The amendment suggested by the hon. member for North Grey (Mr. Middlebro) may be all right but he has not touched the real gravamen of the latter part of the clause. The latter part of the clause does not provide for fines but it provides for carrying out the order of the board regarding the expenditure of money. The board may order that the Intercolonial shall construct a siding, perhaps costing $100, $200; we feel that there should be some power to compel the Intercolonial to carry out the instructions of the board. As the clause is drafted the minister is not compelled to carry out the instructions of the board, and I do not think the amendment proposed by my hon. friend meets that.

Mr. COCHRANE: The Government is in a different position from an individual. We have to have money voted by Parliament or go to the Governor in Council to get permission. A minister cannot spend money if it is not voted.

Mr. CARVELL: You have large sums of money voted for general purposes with regard to which you could exercise some discretion.

Mr. COCHRANE: Very little. The hon. gentleman knows that in passing the railway estimates we have to say what everything is for. We do not get a blanket vote.

Mr. MACDONALD: My hon. friend takes a large vote which is nothing more than a cross entry. He receives $15,000,000 from the railway in the year and when he comes to Parliament he takes a vote of practically what he anticipates will be the income of the railway for the year.

Mr. COCHRANE: No, we take a lump sum for operation. It is not at all available for improvements.

Mr. MACDONALD: My hon. friend makes a distinction between what he takes for capital and what he takes for operation.

Mr. CARVELL: At page 52 of the estimates my hon. friend takes $6,875,000 for Canadian Government railways chargeable to capital.

Mr. MACDONALD: He takes more than that.

Mr. CARVELL: Then, at page 54 he takes $23,000,000.

Mr. COCHRANE: That is for operation.

Mr. MACDONALD: My hon. friend has taken a vote of $23,000,000 this year.

Mr. COCHRANE: That is for operation, not construction.

Mr. MACDONALD: He takes a special vote on capital account.

Mr. CARVELL: On page 52 there is for:

Construction and betterments, $6,500,000.

Mr. MACDONALD: That is for capital expenditure?

Mr. CARVELL: Yes.

Mr. MACDONALD: My hon. friend takes that capital vote and he takes the ordinary vote which is nothing more than a cross entry. The board, save in most exceptional cases, would only require the fulfilment of an order dependent on the money being voted by Parliament. Therefore, that difficulty does not arise. The amendment of my hon. friend from North Grey (Mr. Middlebro) does not offer any solution. If the Act is to be workable the party upon whom the onus must be thrown for carrying out the orders of the board is the general manager of the government railways.

Mr. COCHRANE: He is not allowed to spend money without orders.

Mr. MACDONALD: If the orders of the board are to be fulfilled he is the man who actually spends the money. My hon. friend does not think that he is the general manager?

Mr. COCHRANE: I authorize it.

Mr. MACDONALD: The hon. gentleman authorizes it. But, we are arguing in a circle and we get back to this, that you are going to have the board make orders and you are going to put parties to the expense of going before the board to get an order, when the whole thing will be nugatory. Why do you not put the onus on the general manager of carrying the order of the board into effect? Why should not the people who are operating the Intercolonial be in the same position as the people who are operating the Canadian Pacific, Grand Trunk or Canadian Northern? The amendment proposed by the hon. member for North Grey does not reach the situation at all.

Mr. COCHRANE: It certainly is admitting penalties.

Mr. MACDONALD: It is admitting penalties, but I doubt whether the language is sufficiently apt to expressly override the common law rule that there is no penalty. But it may be so.

Mr. COCHRANE: It takes out clause 4 and admits a penalty.

Mr. MACDONALD: What is the objection to putting the onus on the general manager?

Mr. COCHRANE: Because he is not allowed to spend money without permission, nor is the minister. The minister may get an Order in Council passed, but if he does not do so the Auditor General will not permit the bills to be paid.

Mr. MACDONALD: The Auditor General would have sufficient authority under an order of the board?

Mr. COCHRANE: I do not know whether he would or not.

Mr. McKENZIE: I must protest against the amendment proposed to section 4, absolutely. The section was bad enough before. It suggested that a penalty might be imposed upon the King. But here we have a court created by the King, deriving its authority from the King, and it is authorized to impose a penalty upon the King. It is absolutely absurd, and I appeal to you and the committee that at least it should

not be adopted until we have the opinion of the Justice Department about it. There is no such law anywhere in the Empire, nor has it ever been attempted to pass such a law. It is a glaring absurdity, and I would be ashamed to be a member of a legislature that would pass such an enactment in the twentieth century.

Mr. CARVELL: I understand the position taken by the hon. member for North Cape Breton (Mr. McKenzie), and I think it is right. It is absolutely illogical that you should start proceedings against the King, at the instigation of the King, in an ordinary court. The hon. member for Pictou (Mr. Macdonald) has given us a solution. We have been labouring under a great misapprehension about the uselessness and nonsense of taking money out of the treasury and putting it back into the other pocket. But that is not the case under the provisions of the Railway Act, because if a penalty is imposed upon a railway company it is treated as is any other fine. The Summary Convictions Act and the General Criminal Code provide for the disposition of the penalty. It does not go to the Dominion, but partly to the municipalities. Therefore there is no reason why the Intercolonial should not be fined.

Mr. COCHRANE: A fine imposed by the Railway Board does not go to the municipalities.

Mr. CARVELL: I am not speaking of such a fine as that but of the fine imposed upon a person who, for breach of an order of the board, comes under the general law of the land. While it is inconsistent to lay an information in the name of the King against the King, there will be no difficulty in laying information in the name of the King against the manager of the Canadian Government railways. If the manager is fined he pays the fine out of moneys in his hands belonging to the Government, and in that way justice is satisfied and it is hoped there will not be a repetition of the events. I quite agree with the hon. member for North Cape Breton, that the present situation would be absolutely illogical if you attempt to fine the King, but you could fine the railway company in the name of the general manager.

Mr. COCHRANE: Suppose we allow the clause to stand to-night.

Section stands.

On section 5—Rules for practice and procedure:

[Mr. McKenzie.]

Mr. MACDONALD: I move to amend this section by adding at the end thereof the words "not inconsistent with the terms of the Railway Act".

Amendment agreed to and section as amended agreed to.

On section 6—Sections of the Government Railways Act repealed:

Mr. COCHRANE: I beg leave to move:

That clause 6 of the Bill be struck out and the following clause be substiuted in lieu thereof:

"6. (1) The following sections of the Government Railways Act, Revised Statutes of Canada, 1906, Chapter thirty-six, are hereby repealed:

"Sections 7 to 9 both inclusive, 15 to 45 both inclusive, 58, 61 and 64 to 79 both inclusive.

"(2) In case of any inconsistency between the provisions of the Government Railways Act and the sections of the Railway Act, as set out in the schedule to this Act, the provisions of the said sections shall prevail."

Mr. CARVELL: I do not think the minister should ask us to adopt that amendment without our first having an opportunity of considering it. I imagine the minister will also make some changes in the schedule, and I would suggest that he give notice to-night of what changes he purposes to make. I have no doubt that they will be accepted, but we should have opportunity of examining them.

Mr. COCHRANE: The proposed new clause is considered to be in better legal form. Sections 7 to 9 of the Government Railways Act are repealed and are replaced by sections 245, 246 and 247 of the Railways Act, which appear in the schedule. They relate to bridges. Sections 46 to 49 are restored, as they constitute the authority of the Governor in Council to impose tolls. These will be subject to the approval of the board.

Mr. CARVELL: That is a rather large order for one to carry in one's head. I would suggest that the minister give notice of all the changes and then we shall have an opportunity of examining them.

Mr. J. E. ARMSTRONG: I understand that that amendment covers practically all the objections which the hon. member for Carleton made this afternoon.

Mr. CARVELL: I must have referred to twenty or thirty clauses; this refers to only three or four.

Mr. COCHRANE: I have a list of the clauses that my hon. friend referred to.

Mr. CARVELL: I do not want to be unfair, but I really wish to make the Act as workable as possible—

Mr. COCHRANE: I will give notice of the proposed changes. I propose to add the following as section 6 A:

6a. Nothing in this Act or in the sections of the Railway Act as set out in the schedule to this Act, shall be deemed to take away any right or power of His Majesty or of the minister given by the Expropriation Act or the Exchequer Court Act or any other general public Act, or to confer upon any court or other tribunal other than the Exchequer Court, the Supreme Court of Canada, and the Board, any jurisdiction not vested in such court or tribunal at the time that this Act comes into force, and nothing in this Act or in the said sections of the Railway Act shall affect any pending litigation or be taken to impair or affect any agreement between His Majesty or the government railways and any person at the time of the coming into force of this Act; provided also that all bridges, fences, crossings, and other structures now existing on the government railways may lawfully be maintained in accordance with the provisions of the Government Railways Act heretofore in force until a duly approved order of the Board has been made directing that any such structure be changed or rebuilt in accordance with the requirements of the Railway Act as extended and applied to the government railways by this Act.

Mr. CARVELL: Does the minister not propose to make any changes in the schedule?

Mr. COCHRANE: Yes. Before dinner my hon. friend mentioned sections 398, 399, 400, 403, 406 and 417 of the Railway Act. These have relation to the imposing of a penalty upon the company. Sections 371 to 373, both inclusive which my hon. friend referred to have reference to telegraphs and telephones. They might be inserted in the present Bill, but they are not apt at present, as the government railways are not putting up wires. I purpose also to make amendments to sections 381 and 387.

Mr. CARVELL: I had only partly finished my remarks this afternoon when the minister asked me to wait until we reached this section. I adopted his suggestion, but I could go on now and give him another list. One of the worst cases of all is that of section 394. I had not reached that section.

Mr. COCHRANE: The clauses that my hon. friend did mention all had relation to penalties, except that with regard to the putting up of wires.

Mr. MIDDLEBRO: The matter of penalties was covered by my amendment.

Mr. CARVELL: The minister, I think, wants to meet us in this matter. I know we shall get together perfectly satisfactorily, but I want to point out that I have not finished the list of the sections which were not included in this Bill.

Mr. COCHRANE: I know that, but the formal amendments bring in some of the sections the hon. member wants.

Mr. CARVELL: I would suggest, anyway, that the minister treat this as a notice. It will appear on Hansard, and he can go over it, and we will go over it to-morrow. I will agree that I will expedite as much as possible the passage of the Bill, and I hope we can put it through as quickly as possible. We shall in this way have an opportunity of comparing the amendments moved by the minister with the law, and we shall then know exactly where we stand.

Mr. COCHRANE: I beg to move:

That the Bill be amended by striking out the schedule and substituting in lieu thereof the following:

Schedule.

"Sections of the Railway Act made applicable to government railways.

"Sections 31 to 71 both inclusive, 185 (excepting subsection 7 thereof), 186 to 188 both inclusive, 194 to 198 both inclusive, 245 to 268 both inclusive, 269 (excepting the provision thereof for determining compensation by arbitration), 271 to 289 both inclusive, 298 to 322 both inclusive, 323 and 324, the word "by-law" where it occurs in these sections shall mean and include a regulation of the Governor in Council, 325 to 366 both inclusive, 382 to 389 both inclusive, 394, 395, 402, 404, 405, 409, 412, 414, 416, 418 to 427 both inclusive, 430, 431, 437 to 440 both inclusive, and 443 to 451 both inclusive."

Mr. BOULAY: I will now make a remark that I was going to make a few minutes ago. I see that this Bill is going to be in line with Bill No. 13, that is, that certain sections in Bill 13 are to be included in this Bill. Among them is section 302. The Minister of Railways is reported in Hansard of the 23rd of July last as having made these remarks:

Mr. Cochrane: On the 18th July I accepted an amendment prepared by my hon. friend from Rouville and proposed by the hon. gentleman from Rimouski, which read as follows:

"All railway employees on local passenger trains running in the province of Quebec, having to deal with the travelling public, shall be conversant with the English and French languages from and after January 1, 1919."

There has been strong objection to this amendment on the ground that it would cut men out of their seniority. For instance, a man running on a freight train to Prescott or Brockville would be prevented from being promoted, say, to a passenger train running to

Montreal, because he was not able to speak French. I feel that the amendment suggested by the member for Muskoka (Mr. Wright) will meet the situation far better. I move that section 302 be amended by adding thereto the following as subsection 3:

"After the 1st day of January, 1919, the Board may from time to time make such orders and regulations as it may deem advisable to provide that all or any railway employee on local passenger trains running in the province of Quebec shall be conversant with the English and French languages."

I am sorry that the amendment thus moved has been changed. I see that I am the only member from Quebec now present. I wish we were all here, because I I know all the other hon. members from Quebec would approve what I am going to say on this subject, and of the amendment I am going to suggest to section 302 of Bill No. 118.

The CHAIRMAN: I must remind the hon. member that we are not considering Bill No. 13; we are considering Bill No. 118.

Mr. BOULAY: I wish to move an amendment to the schedule of Bill 118 as regards section 302 of the Railway Act concerning the Government railways. I wish to add to section 302 practically the same words that I proposed on the 18th of July, as follows:

All employees of government railways in the province of Quebec that have to deal with the travelling public shall be conversant with the English and French languages, and this provision to be in force from the first of January, 1919.

As this affects only the Government railway employees, there should not be any such objection as that referred to by the Minister of Railways on the 23rd of July as regards other railroads. This would meet the approval of all the employees of the Government railways in Quebec, because I have here a statement signed by four of the presidents of their societies from Montreal to Campbellton. They all approve this amendment saying that it would be largely in the interest of the travelling public. The statement is dated 28th July, 1917, and reads:

The hon. member for Rimouski has caused to be inserted in the Bill No. 13 entitled: An Act for the consolidation of the railway laws of Canada, on the 18th instant, an amendment which reads as follows:

"All railway employees on local passenger trains running in the province of Quebec, having to deal with the travelling public, shall be conversant with the English and French languages from and after January 1, 1919."

Now, on Juy 23rd instant, this amendment, although it had been adopted by the House, was dropped and another one has been substituted to it which does not give any satisfaction. The reason given for dropping this amendment was that the railroad companies were opposed to it.

Now we, railway employees on the division of———and representing the International Association of railroad employees, do declare hereby that we have seen with pleasure the amendment proposed by the member for Rimouski, and fully and sincerely approve of it; in fact, we state that it will not entail any hardships to any one of the employees, but on the contrary, that it would be a notable improvement, which has been demanded for many years by the travelling public in the province of Quebec.

Therefore, we ask that the amendment moved by the hon. member for Rimouski, should be fully reinserted in the Bill.

In witness thereof, we have signed:—

Phy. Tardif, C.G.R., conductor, president of Levis employees association.

Jos. Robin, president of the Montreal employees association.

J. B. Dubé, conductor, president of the Mont-Joli employees association.

E. H. Dionne, conductor C.G.R., president of the Transcontinental employees association.

Mr. COCHRANE: This does not apply in this case. This provision is in Bill 13, the General Railway Consolidation, and will be enforced by the Dominion Railway Board, under the Dominion Railway Act. The insertion of it in this measure was only repeating the words in the General Act. Therefore, it will become the law, unless the Senate throws out the Bill.

Mr. BOULAY: As I understand, the Railway Act applies to all railways.

Mr. COCHRANE: Yes.

The CHAIRMAN: The amendment moved by the hon. gentleman from Rimouski is not relevant. I find the following in Bourinot:

Amendments to Bills must strictly relate to the Bill which the House has by its order resolved upon considering.

So that I must rule that this amendment is not in order.

Mr. MURPHY: I assume that section 7 stands as it is.

Mr. COCHRANE: Yes.

Mr. MURPHY: I suggest that the Bill be reprinted, with the amendments. It might facilitate the passage of the Bill.

Mr. COCHRANE: I do not think it will be in shape for reprinting, but when hon. members get Hansard in the morning they will see what amendments have been proposed.

Progress reported.

On motion of Sir George Foster, the House adjourned at 10.30 p.m.

Saturday, August 11, 1917.

The House met at Three o'clock the Speaker in the Chair.

CRIMINAL CODE AMENDMENT.

NUMBER OF JURORS IN PANEL.

Hon. C. J. DOHERTY (Minister of Justice) moved the third reading of Bill No. 97, to amend the Criminal Code respecting jurors.

Mr. E. M. MACDONALD (Pictou): Mr. Speaker, this matter was so thoroughly threshed out upon the second reading of the Bill and in the committee stage that I do not feel like going into it at length. I consider that the Government have decided to have this Bill passed and to take the responsibility for it. Having regard to the circumstances which were disclosed during the discussion, and which have not been denied, I wish to put myself upon record as being absolutely opposed to such a radical change in the criminal law at this time, a change made for no reason whatever. No case has been made to warrant the action of the Government in the matter, and the circumstances which have led to the introduction of this Bill indicate to the House that it is legislation that should not be proceeded with.

Motion agreed to, and Bill read the third time.

GOVERNMENT RAILWAYS ACT AMENDMENT.

CONSIDERATION OF THE BILL IN COMMITTEE.

House in Committee on bill No. 181, to amend the Government Railway Act—Hon. Mr. Cochrane.—Mr. Rainville in the Chair.

On section 6—Repeal of inconsistent provisions in Government Railways Act:

Mr. CARVELL: Since last evening I have had an opportunity of carefully going over the proposed amendments of the Minister of Railways with an officer of his department, and so far as I am concerned—and I am speaking only for myself—the minister has met all the objections which I thought were properly raised, excepting probably the question as to whether the government railways would be liable to the imposition of a fine in case they refuse to obey the orders of the Board of Railway Commissioners. I realize that there are difficulties in the way of imposing a fine upon His Majesty, and also that probably in ninety-nine cases out of a hundred, if the Board of Railway Commissioners passed an order that the government railways should do or refrain from doing a certain thing, they would carry out the order of the board. That matter is left open, and I have no opinion to offer upon it now other than what I have already offered. With that one exception, as I understand the matter, the amendments moved by the Minister of Railways cover everything that was in dispute yesterday and bring the government railways practically under the control of the Dominion Railway Act.

Mr. MARCIL: What about expropriation of land?

Mr. CARVELL: It was understood, in all the discussion yesterday, that expropriation of land by the Government still remained under the Expropriation Act, and did not come under the purview of this Bill. I raised the discussion in regard to the right of a subject to sue the government railways in the ordinary courts of the land. When we come to examine the Railway Act, we find that no right is given by that Act to sue a railway company, and therefore if there is to be any change in the law as it stands to-day, it must be obtained by amending the Small Claims Act and not the Railway Act. A man sues a railway company by virtue of the common law of the land, but he receives, by virtue of the Railway Act of Canada, no authority nor assistance in bringing his action.

Sir WILFRID LAURIER: He does not need it.

Mr. CARVELL: No. The only thing the Railway Act of Canada does, so far as bringing an action is concerned, is to limit it within certain conditions, that is to limit the time within two years—up to the present time, the limit has been one year. A man can bring an action against the government railways by suing the manager—I think that is the way it stands now by virtue of the Small Claims Act of 1910 as afterwards amended. Therefore, if we wish to bring all these actions into the ordinary courts of the land, there would have to be an amendment of the Small Claims Act. Only this morning I received another evidence of the necessity of a change of that kind. I received a letter from a prominent solicitor in New Brunswick asking me

to act as counsel for him to collect from the Government whatever the amount might be by reason of the death of two men killed on the Transcontinental railway through what he claims to be the negligence of the railway corporation. Those were poor men, and they have left families. If they had a right to bring their action in the ordinary courts of New Brunswick, there is no doubt they would go on and have speedy justice meted out. If they are driven to the Exchequer Court, they will, in all probability, never bring action. The Government might settle their claims, but we know from past experience that if they do settle, they will not pay what the real damages are. I merely mention that as an illustration of the necessity of permitting those actions to be brought in the ordinary courts of the land. I am satisfied with the amendments proposed by the Minister of Railways; the only question that might be left open to discussion is whether there should be a change so that the railway itself would be subject to penalties in case it refused to carry out the orders of the Railway Board.

Sir WILFRID LAURIER: The tendency of the age is certainly towards government ownership of railways and other public utilities. That is a principle in regard to which I, for my part, have very serious doubt, but there is no doubt that public opinion is verging in that direction, and there is much to commend the principle. I am satisfied that if the government management of railways or other public utilities could be kept free from political partisanship, that evil of our system of government, government ownership might be very desirable.

At all events, it might be very desirable in an old country, but I have my doubts whether a young country like ours can be better served by government railways than by railways that are run by companies. I think in a young country like this, a company railway has more elasticity of management and can better serve the public, than a railway under government ownership. But undoubtedly the younger element of the country—western Canada, for instance—is in favour of government ownership. If we adopt government ownership we must also be prepared to take the consequences of it; as in everything else, we must take the bad with the good. The public should have the same recourse against the management of the government railways as against the management of company railways. The company railways, under our Railway Act, are subject to the control of the Railway Board, which enacts the penalties and can enforce its decisions. It was not my privilege to be here yesterday evening, but I read this morning the discussion which took place, and I was struck by the objection which was made to subjecting the King to penalties. Of course, there is some anomaly in that, but it is an anomaly more in name than in anything else. If the King becomes a common carrier, he is entitled to all the advantages of that position—he can collect my fare—and he should also accept the responsibilities. We have provided already that he shall accept those responsibilities to a certain extent, but there is still the old doctrine that the King cannot be sued at law—you cannot bring the King against the King. Under our Small Claims Act, however, we have provided that the manager of the government railways can be sued for damages up to $500. There is no reason why he should not be sued, no matter what the amount of damages a subject may have suffered. What objection can there be to allowing a man to sue for $600? The public should have the same rights against the government railways as against the company railways, and there is no reason why all the penalties, and all the methods of enforcing the law, in the case of company railways, should not apply in the case of the government railways. I am quite satisfied that the minister is in earnest about this, and if his aim is, as I believe it always has been, to remove the railway from politics, I would commend that suggestion to him.

Mr. COCHRANE: I think they already have that under clause 439 of the Railway Act.

Mr. CARVELL: That is a pretty strong clause.

Sir WILFRID LAURIER: It is a pretty strong clause so far as the companies are concerned, but this Bill does not deal with the companies; it deals with the Government.

Mr. COCHRANE: It is proposed to introduce such a clause in regard to the government railways.

Sir WILFRID LAURIER: The clause goes pretty far, I admit.

Mr. CARVELL: It is a pretty good start.

Mr. MACDONALD: One of the difficulties the minister pointed out last night was that if any order from the board involved the expenditure of an amount of money there was no way in which the money could be legally got. My attention has been called to the fact that under the Exchequer Court Act, if a judgment of the Exchequer Court involves the expenditure of an amount of money, it is paid out of the consolidated fund of the Dominion of Canada. Automatically, such a judgment of the Exchequer Court has that result without any action on the part of my hon. friend.

Mr. COCHRANE: I have gone into this matter with the law clerk, and he says that a judgment of the Railway Board would operate in the same way.

Mr. MACDONALD: I was going to suggest that as a solution. That provision in the Exchequer Court Act, if applied here, would bring about the desired result.

Section as amended agreed to.

On section 6—Repeal of inconsistent provisions in Government Railways Act R.S. 1906, c. 36:

Mr. CARVELL: The sections mentioned here, which refer to the present Government Railways Act, have been amended very considerably. I can assure the committee that I have compared the proposed amendments with the Railway Act itself, with the assistance of one of the officers of the department, and I am satisfied that what is left in the Government Railway Act, together with those portions of the general Railway Act, practically put the railway under the control of the board with the exception of the penalties.

Section as amended agreed to.

On section 7—Commencement of Act:

Mr. J. J. HUGHES: In accordance with the notice I gave yesterday, I beg to move that this section be amended by adding thereto the following:

but shall not apply to that part of the government system known as the Prince Edward Island Railway until the gauge of the same has been standardized.

The minister, speaking on this matter yesterday, appeared to be under the impression that the difficulties and disadvantages under which the people of Prince Edward Island laboured were chiefly due to the delays connected with the extra handling of freight at the terminal points, and the extra cost involved.

While there is some disadvantage in that regard, it is not the most serious one under which we labour. Our great disadvantage is in not being able to ship perishable products to the markets of the other provinces and of the United States, because we cannot ship in refrigerator cars. It is impossible to get refrigerator cars until the gauge of the Prince Edward Island railway is standardized. We grow very large quantities of potatoes, and the time for digging those potatoes is the month of October. The people are then so busy that they can pay little attention to shipping. In the month of November there is such danger from frost that we are prevented from shipping unless we have cars that will protect the potatoes. Thus the season for shipping is so short that it is practically impossible to reach the market. I think until we become a real part of the Intercolonial, and until we get the privileges and the advantages enjoyed by those living on the mainland, we should not be asked to accept the responsibilities or burdens of additional freight rates. When we entered Confederation the great inducement held out to us was that we would be put in continuous communication with the Intercolonial railway and the railway system of the Dominion. That has never been carried out. There were, of course, great difficulties in the way. At the same time, it was one of the terms of Confederation. The present Government undertook to establish what will, perhaps, be a solution of our transportation difficulties, when it is completed, but until it is completed things are in a worse condition than they were before. When the present Government came into power, we had a very good summer service. Our winter service was fairly satisfactory, inasmuch as we had two excellent ice-breaking steamers, which maintained fairly regular winter communication. The Government undertook to improve matters by establishing what is known as the car-ferry system. Once this system is put into operation, the great advantage will be that it will be possible for us to ship right through from the point of production to the point of destination, and we can have cold storage cars to carry perishable products, particularly potatoes and fresh fish. I may say that in proportion to the size of the province of Prince Edward Island we have the best fishing grounds in the world. But we cannot reach the market until we get refrigerator cars. The Government of Canada being a party to this agreement, I

would not like it to shift its responsibility to any board or any other party, until the agreement is carried out. We are very sensitive on this subject and we look forward to becoming a real part of the Intercolonial system some day. I therefore ask the Minister of Railways, and the committee, not to put the Prince Edward Island railway under the direction of this board until the terms of Confederation are carried out; that is, until the Government completes the system it has commenced. I do not think this is an unreasonable request, and I hope the minister will agree to it, and that the Government will retain the control and operation of the Prince Edward Island railway in its own hands until we are put in continuous communication with the Intercolonial railway and the railway system of the Dominion. Until that is done I hope that at no time will we be obliged to look to any other body for redress.

Mr. COCHRANE: My hon. friend from Kings, Prince Edward Island (Mr. J. J. Hughes) and several other hon. gentlemen from the lower provinces seem to think that putting the railway under the Railway Board is being done purely for the purpose of raising the rates. This is not the case at all. Before this Bill was introduced the raising of the rates lay with the Government, and the people had no recourse. The Government could raise the rates as it saw fit. Under the Railway Board this cannot be done, unless it is permitted by the board. With reference to the car ferry, and the possibility of shipping produce in refrigerator cars, we certainly have made progress, and as soon as we can get the car ferry repaired we hope to put it into immediate operation. It is very hard to get a vessel repaired now, but we hope to have it running by the first of the month. Then we can take our refrigerator cars over to Prince Edward Island and load them with perishable freight there, which is much better than having to tranship. I do not think the argument put forward by my hon. friend is fair, or one I can accept. I would therefore ask that it be voted down.

Mr. MACDONALD: There is a good deal of reason in the position taken by my hon. friend from Kings, Prince Edward Island, and I second his amendment. We must remember that Prince Edward Island is situated differently from almost any other part of the country. In the first place, it is a purely agricultural province.

Mr. COCHRANE: But, what harm are we going to do? I object to what my hon. friend from Kings says in regard to the raising of the rates. As a matter of fact, we have the right to raise the rates to any extent we wish.

Mr. MACDONALD: And you did raise them recently. For instance, you raised the rate on coal coming to Montreal.

Mr. COCHRANE: When this Bill goes into effect you will have a chance to appeal against the raise.

Mr. MACDONALD: Prince Edward Island has a population of about 90,000 persons, practically all of whom are engaged in agriculture. They have a narrow-gauge railway, which they built themselves before Confederation, entirely as a local work. They are not connected with the rest of the Dominion except by steamer. Whatever advantages there are in the application of this Act to the other parts of the Intercolonial, they do not apply to Prince Edward Island, because of its entirely different position. My hon. friend from Kings points out that some years ago this Government gave a definite and positive assurance that the Prince Edward Island railway should be widened to standard gauge and that continuous communication between the mainland and the island should be maintained, and he asks that pending the carrying out of these undertakings no other body should be introduced having any control over the operation of their purely local road. I think that proposition is a reasonable one, and I therefore second it.

Mr. J. J. HUGHES: I wish to point out to the minister, what the business men of Prince Edward Island well know, that even although there may be some improvement over present conditions when the car ferry steamer begins to run between Prince Edward Island and the mainland, yet, until the road is standarized, and until standard cars can be used, there will be so much congestion at some points that it will be very difficult to handle all the traffic that offers. Then again the minister says that refrigerator cars can go over the Prince Edward Island railway just across the Straits. They can, but unless you have refrigeration from the shipping point to the consuming point, it will be no good. You would have to ship in these small cars

without refrigeration for some distance, then unload the freight into a shed, and if there was any congestion, it would have to remain in the shed for some time. Under these circumstances perishable products would be injured. If fresh fish, for instance, is taken out of cold storage, within a very short time it suffers depreciation, in fact it sustains more injury and is of less value when it reaches the point of consumption than if it had never been in cold storage at all. The congestion at the shipping points in Prince Edward Island will certainly be very great.

Mr. COCHRANE: Putting the railway under the Railway Board will not hurt conditions?

Mr. J. J. HUGHES: The Government will be able to shift the responsibility to another body.

Mr. COCHRANE: The people will be able to shift responsibility to other people too.

Mr. HUGHES: What advantage will it be?

Mr. COCHRANE: It is no disadvantage and it is certainly a great advantage.

Mr. HUGHES: I am very much afraid there will be considerable disadvantage. The minister really wishes to shift part of the responsibility upon the shoulders of this board. Then he will have what is known as a "wicked partner." At any time he does not wish to make any change or to take any steps in the interest of the people, he can say that the board will not allow him, that he is circumscribed by the new conditions. There is no reason in the world why the amendment should not be accepted. I wish to impress upon the minister, the Government, and the members of Parliament, the very great disadvantage under which the province of Prince Edward Island labours in marketing its products. I mentioned a day or two ago that two prominent members of this Government, the right hon. the Minister of Trade and Commerce (Sir George Foster) and the hon. the Minister of Finance (Sir Thomas White), last spring had advised the people, those of Prince Edward Island as well as others, to produce more. We acted upon that suggestion and we have an abundant crop this year in Prince Edward Island; but we shall not be able to market it. It is a sad thing to think that while food products are scarce perhaps in other parts of the world, and perhaps in some parts of Canada, crops will go to waste in Prince Edward Island simply because they cannot reach the market. I do not imagine that the present Government can do everything. They adopted this car ferry system but they have been very tardy in pushing it. Five years have passed and it was to have been finished in two years. Now the minister does not mention any date for the beginning of the work of standardizing the Prince Edward Island railway.

Mr. COCHRANE: Tell me when the war will be over.

Mr. HUGHES: The minister made a promise since the war began.

Mr. COCHRANE: No, I do not.

Mr. HUGHES: The minister said that he was going on with his work.

Mr. COCHRANE: No, I did not.

Mr. HUGHES: Standardizing the Prince Edward Island railway to enable food products where they are in abundance to reach the markets of the world, may fairly be classed as a war measure as well as a trade measure.

Amendment (Mr. J. J. Hughes) lost on division.

On the schedule—

Mr. COCHRANE: With regard to the motion to strike out the schedule and substitute an amended schedule, I desire to add to the amendment the following:

Sections 371 to 373, both inclusive, and 381 and also the following provision at the end of the schedule:

Provided that no prosecution for the imposition of any fine or penalty under section 439 of the Railway Act as applied to Government railways shall be brought except upon the consent of the Board

Schedule as amended, agreed to.

On the Preamble:

Mr. MACDONALD: Do I understand that the minister will not provide for permitting actions to be brought against the railway in the name of the general manager for fires and all the other claims which may arise? In other words, will he not remove the limitation of $500?

Mr. DOHERTY: That is another Act altogether. We shall have to consider that.

Mr. MACDONALD: The situation is that you have the Government Railway Act—

Mr. COCHRANE: That does not come under the Government Railways Act.

Mr. MACDONALD: But my hon. friend will never have a better opportunity for doing away with this isolated Act and amending the Government Railway Act by simply maintaining the right of action against the general manager. One of the great advantages in regard to this Act, which relates to the Railway Commission, is the fact that it extends the remedy of parties who have met losses or damages or have had business connection with the road; it enables them to invoke the aid of the court.

Mr. COCHRANE: They can do that now.

Mr. MACDONALD: No. On the Intercolonial railway you have to go to the Exchequer Court.

Mr. COCHRANE: Well?

Mr. MACDONALD: Why will not the minister agree? Why should he deal with the thing piecemeal? I know that the Department of Justice have always been slow in regard to this matter, why I do not know. If the minister is going to do this, he ought to do it right. It does not make any difference to him, but he is preventing the application of those sections of the Act which really are of advantage to the district through which the railway runs. There is no need for taking two bites of a cherry.

Mr. COCHRANE: You did not want any of the cherry yesterday.

Mr. MACDONALD: My hon. friend is surely not complaining when, in the best possible humour, I am trying to help him make a good Act. He does not want to fight with me all the time. I am anxious only to get the best Bill we can, and I submit that it is no unreasonable request.

Bill reported.

CRIMINAL CODE AMENDMENT—INSURANCE.

On motion of Hon. C. J. Doherty, the House went into committee on Bill No. 54, to amend the Criminal Code respecting insurance.

Mr. Rainville in the Chair.

On section 1, soliciting for insurance forbidden except as permitted in proviso.

Mr. CARVELL: Would the minister state the purport of this section?

Mr. DOHERTY: This Bill is really complementary or supplementary to the Insurance Bill which has gone through the House. The Insurance Act imposes upon companies subject to Dominion jurisdiction the obligation of taking out licenses. That Bill provides no penalty for failure to take out a license. It is being dealt with as a matter of criminal law because there have been some difficulties with regard to the legislative competency of this Parliament over the carrying on of the business of insurance. It may be suggested that if the matter be dealt with otherwise than from the point of view of criminal law, objection may be taken to the competency of Parliament, which objection would disappear once it was quite clear that Parliament approached the matter looking at failure to comply with the obligations imposed as constituting public wrong. The obligation already exists under the Insurance Act; this is merely to provide a penalty in the event of non-fulfilment of the obligation.

Mr. CARVELL: While I entirely agree with the object of the present Bill, I should like to see another clause added to embody the principle of an amendment passed by the Banking and Commerce Committee when the insurance law was under consideration some three or four years ago—to make it a criminal offence for the agent of a bank to engage in the occupation of an insurance agent. I realize that I am raising an entirely new point, but I cannot allow this opportunity to pass without at least calling it to the attention of the committee. I do not know to what extent this has become a grievance in Canada as a whole, but I do know that in the province of New Brunswick we have at least one case that has become a public scandal. The agent of one of the big chartered banks of Canada carries on a private insurance business, and practically controls the entire insurance of a very large section of the province of New Brunswick. No man can do business with, or get accommodation from, this bank unless all his insurance, or that of the corporation to which he belongs, goes to the agent of the bank. It works out in two ways. In the first place, he drives everybody else out of business; no other insurance agent can thrive in that district. He may do a little business with some of his friends, but when it comes to the big business he is driven out. In the second place, to my personal knowledge—I am speaking now from knowledge which I have obtained as solicitor—people's properties are insured for a great deal more than they could be compelled to pay premiums upon, in order, according to my contention, that this parti-

cular insurance agent may receive more commissions on premiums.

Mr. COCHRANE: Is there only one bank in the place?

Mr. CARVELL: No, there are more banks. But this bank has control of practically all the lumber business, and that is the principal business of the community. I am speaking now with an absolute personal knowledge of what is going on. An estate which I have practically closed up, which I have been helping to manage for years—which, I am sorry to say, was not very flush financially—has paid insurance to make your head ache, if you had to help finance it, simply because we were in the hands of the bank, and the banker placed the insurance without asking our leave or anything else. We had not a word to say—we had to pay the premiums; he did not ask us to pay them, but simply took them out of our account. I brought the matter up and got an amendment made to the Act, by the Banking and Commerce Committee, and it came down to this House as part of the Bill, when it left the committee, but sufficient influence was brought to bear on the House to defeat it, I think, on the third reading.

Mr. DOHERTY: That was in connection with the Bank Act?

Mr. CARVELL: I think not.

Mr. DOHERTY: Was it in connection with the Insurance Act?

Mr. CARVELL: No, the minister is right. It was in connection with the Bank Act. The Insurance Act was codified in 1910, and this happened in 1912 or 1913. As the minister is dealing with the Insurance law as it refers to insurance companies, I thought it my duty to bring this matter before him. I do not propose an amendment, because if the hon. minister would not accept it it would not carry, but I call attention to the circumstance, and say that matters are getting worse instead of better, although there was a pledge given that this particular condition of things would cease to exist. I know, from talking with members, that this condition of affairs exists to some extent in very many parts of Canada. I do not think it is right for a man occupying the position of manager of the bank, who necessarily has certain direct or indirect control over very many people who do business or get accommodation from the bank, to have the right to say to them either directly or indirectly, or even by inference: If I give you the accommodation you require, I shall expect you to give me your insurance. It gives him a very great leverage over the agents of the other insurance companies, and insurance has become a great business in Canada. This is an unjust discrimination. I think the chartered banks of Canada pay their agents pretty good salaries, and if they do not, they should pay salaries large enough so that the agents could get along without depriving other people of a legitimate source of revenue. I think even if there were no cases as extreme as the one to which I have called the minister's attention, the principle is wrong to allow the manager of a bank to carry on an insurance business, and indirectly and surreptitiously take away from other men business which rightly belongs to them.

Mr. GLASS: The matter to which my hon. friend refers is not peculiar to the province of New Brunswick. That condition of affairs generally exists throughout Ontario. In my district it is quite a common thing for a bank manager, especially in the smaller places, to have the supervision and control over insurance, which may not only lead to an improper use of it, but which is an injustice to those engaged in that business. I should like to suggest here, also, that the same condition of affairs exists in relation to managers of loan companies. I think they should be debarred from engaging in insurance, as well as the men who are engaged in ordinary commercial banking. I will not say that these large loan companies receive a direct commission, or a division of the commission from the agent, but they arbitrarily direct that, providing a loan is given, the insurance shall be placed with a certain agent who is known to be closely allied with them. I think that when a man borrows from a loan company, any insurance company which is satisfactory to the Superintendent of Insurance should be considered satisfactory for the requirements and purposes of the individual obtaining the loan. I do not think even the lawyers themselves should have any control or power over individuals and say that they should take insurance with certain companies. If a company is financially sound and responsible, and satisfactory to the Department of Insurance in this country, it should be strong enough and good enough so that a client getting

a loan should be permitted to take insurance in any company he chooses.

Mr. TURGEON: In reference to the authority of bank managers to take insurance, I was perhaps the author of that amendment to the Bank Act on behalf of the bank managers in rural districts who were not getting the salaries they should have from the banks. I remember that I was specially influenced by that consideration, and the Minister of Finance at the time, in accepting the amendment which I proposed, declared to this House that he would use all possible influence upon the banks to have them increase the salaries of their agents to a living wage to take away from them the business which, he admitted, was sometimes conductive to extortion. As I have seen no improvement on the part of the banks since that time, perhaps this might be the time to give effect to the advice of my hon. friend from Carleton (Mr. Carvell). It would be a most influential lever to raise the salaries of bank agents to a fair minimum, and would do away with a practice, which might amount to extortion in some cases.

Mr. DOHERTY: I am very much impressed with what has been said. It appears, at all events on its face, to be a matter that might very well call for legislative action; but such legislation, of course, would affect not merely the business of insurance, but the business of banking. I understand that the question was up in connection with the renewal of the Bank Act; that a proposal similar to the present one, looking to the prohibition of the combination of the business of banking with that of carrying on insurance, was made, and was dealt with and finally dealt with in the sense of rejection. That leaves the position as regards the banking business determined at that time, at all events. We are now dealing with legislation with regard to insurance, and so far as the present measure is concerned, with a measure simply supplementary to the general Insurance Act. That measure has been through the Banking and Commerce Committee, together with this Bill as supplementary to it, and before that committee in connection with that Bill, the insurance people connected with and interested in the insurance business, who, as well as the bankers, would be affected by a provision such as suggested, were heard, and I am informed—I was not present at the sittings of the committee—that this matter was not brought to the attention of the committee at all nor to the attention of those interested. Under those conditions, I suggest it would hardly be a proper thing, in a Bill of this kind, to insert, without notice to any body concerned, a provision of the character suggested, which must very materially affect the carrying on both of the banking business—with which we are not concerned directly in connection with this legislation—and of the insurance business, those engaged in which had opportunity to present themselves and to make any representations with regard to any provisions contained in the Bill. With regard to a provision of this kind they would not have the same opportunity as they have had with regard to the provisions of the Bill in general. While, as I have said, it seems to me upon its face that there is a great deal to be said in support of this proposition, I would hardly like, and I could hardly be expected at this moment and without further examination and consideration, to assent to a proposition of this kind. It would certainly be very proper, when we have any further revision of the Insurance Act generally, and when there would be proper occasion to deal with the Bank Act, that this suggestion should receive consideration, but I would hardly feel justified in dealing with it in connection with the present Bill.

I wish to insert a little amendment in the first subsection of the section. It is simply to make the addition of "persons," a change which has already been made to the general Insurance Act. This is simply to make the two measures correspond. I move:

That subsection 1, section 508 C—

which it is proposed to insert in the Criminal Code.

—be amended by inserting in line 14 of the present Bill, after the word "or" the words "of an association of persons."

This is merely to add to the exceptions contained in the Bill an exception for an association of persons formed for the purpose of inter-insurance.

Amendment agreed to, and section as amended agreed to.

The CHAIRMAN: Shall I report the Bill?

Mr. DOHERTY: I beg to move:

That the Bill be further amended by adding to section 1 the following provision, to be inserted in the Criminal Code as 508 D:

Any insurance company, or any officer, agent or representative thereof, who

(a) makes or permits any distinction or discrimination in favour of individuals between the insured of the same class and equal expectation of life in the amount of premiums charged or in the dividends payable upon any policy of life insurance issued by or on behalf of the company; or

(b) makes or assumes to make any stipulation or agreement which is intended to operate as a part of any insurance contract to which the company is or is to become a party, whether in respect of the amount, terms or conditions of the insurance, the premium to be paid or otherwise, except such as is plainly expressed in the policy issued in the case; or

(c) pays, allows or gives, or offers to pay, allow or give, directly or indirectly, as inducement to insure, any rebate of the premium stipulated by the policy to be payable, or any special favour or advantage in the dividends or other benefits to accrue thereon, or any advantage by way of local or advisory directorship unless for actual service bona fide performed, or any paid employment or contract for service of any kind or any inducement whatever intended to be in the nature of a rebate of premiums; or

(d) gives, sells or purchases as such inducement or in connection with such insurance any stock, bonds or other securities of any insurance company, or other corporation, association or partnership; and any person who knowingly receives as an inducement to insure any rebate of premium or any such special favour, advantage or inducement as aforesaid,

shall for a first offence be liable to a penalty of double the amount of the annual premium chargeable upon the application or policy in respect of which the offence is committed, such penalty not to be less than one hundred dollars, and for a second or subsequent offence to a penalty of double the amount of such annual premium, the latter penalty not to be less than two hundred and fifty dollars.

2. Moreover every director, manager or other officer of any insurance company who knowingly consents to or permits the violation of any of the provisions of this section by any agent, officer, employee or servant of the company shall be liable to a penalty of five hundred dollars.

3. The penalties provided for in this section may be recovered either upon summary conviction under Part XV of the Criminal Code, or in any court of competent civil jurisdiction at the suit of any person suing therefor as well for His Majesty as for himself; one-half of any such penalty when recovered to be paid into the Consolidated Revenue Fund and the other half to belong to the informer or person at whose suit the same is recovered.

4. No director, manager, agent, officer or servant of any insurance company shall be indemnified, either in whole or in part, from the funds of the company for any penalty or costs which he may be adjudged to pay on account of any offence committed against this section.

This is to make it a criminal offence to give a rebate of premium, or to effect any combination or arrangement whereby one individual will be able to get his insurance at a cheaper rate than another.

I may say that these provisions are contained in the general Insurance Act. The principle reason why it is necessary to insert them in the Crimial Code is that the Insurance Act as such may apply, and does apply, only to such insurance companies as the Parliament of Canada has legislative jurisdiction over, which, speaking generally, may be said to be companies incorporated by the Dominion, and foreign companies. But provincial companies, or the agents or officers of provincial companies, could not be reached by the general Insurance Act. I think the committee will agree that the different operations which are hereby prohibited, namely, the offering of rebates and undue advantages, discrimination between the insured, attempting on the part of the an agent to make undertakings which are not contained in the policy and which operate to the deception of the insured, and the giving of any inducement for the insurance in the way of direct benefit or advantage—all these things are just as objectionable and are just as detrimental to the public interests when done by a provincial company, or the officers or agents of a provincial company, as when done by a foreign or Dominion company. It is further to be pointed out that unless legislation of this kind be applicable to all companies carrying on the business of insurance, without distinction of their source of incorporation, you have a most unfair situation as regards the Dominion and foreign companies, in that they are subject to the present Insurance Act and are bound to comply with these requirements, whereas provincially-incorporated companies would entirely escape and would be enabled thereby to carry on a most unfair competition, and to resort to those practices which, I think it will be generally agreed, are most objectionable and most unfair.

Mr. CARVELL: I can quite understand the necessity of amending the Act so that an agent of a provincial company shall be under the same law and subject to the same penalties as the agent of a Dominion or foreign company. But I have never quite understood the reason for this law, anyhow. I do not see why an insurance agent should not be allowed to canvass business and sell insurance as cheaply as he likes; that is a matter between him and the purchaser. It seems to me we are drifting into—I do not know whether it is socialism; I think it is these public-ownership faddists getting their work in again. Why in the world should not an insurance company be allowed to sell me insurance for a price which I am willing to pay, regardless of the price they

sell to any one else? You might just as well interfere with the man who sells sugar and pork, which are just as necessary to my family as insurance is. If you say that an insurance agent cannot sell me insurance except at such a price, you have just as much right to say that a grocer cannot sell me sugar or pork except at such a price. I was never able to understand the reason for these provisions at the time the Insurance Act went through. It seems to me we are simply drifting in the direction I have indicated, and unless a stop is put to it no man can tell what the end will be. After a while they will be telling us we cannot do anything except under the instructions of some public authority; individual action will be taken away entirely. If the Government would go a little further and say that the munition makers and profiteers could make only so much money, there would be some sense in that. They fight shy of touching these people, however, but when it comes down to the average man who is trying to get a living, they make legislation of this kind. I do not know that I can object to the amendment, because it makes the law uniform, but I object to the principle of the whole thing.

Mr. DOHERTY: We are not introducing these provisions now, because they have been the law since 1910, and are applicable now to all companies under the jurisdiction of this Dominion Parliament. Moreover, may I say this, as a reason for differentiating between selling insurance and selling sugar and pork and other things of that kind? The insurance business, of course, has to be carried on in such a way that the premium charged shall provide the means to make up the losses; perhaps that is especially true with regard to life insurance. Now, when you let one man contribute for the same risk less than another to the creation of that general fund that is to pay all the losses, you necessarily make the cost to that other man or men larger than it otherwise might be. The fact that you have given to one man insurance at a price less than it is necessary to charge in order that according to the actuarial calculations the business may be carried on so as to sustain itself, makes it necessary in order to make up that deficiency to charge some other man something extra. It creates an absolute inequality between people, who—this is the case referred to in the section—are absolutely in the same class of risk, and enables one man to get covered at a price less than he ought to be charged on a business basis, inevitably necessitating that some other man be charged more than he ought to be charged.

Mr. CARVELL: I can quite understand that argument. It is very plain, and I think it is perfectly logical. At the same time, this amendment goes a great deal further, and is aimed at the insurance agent who is willing to divide up his commission on the first premium with the insured. We all know, a very large proportion of the first premium goes to the agent as his commission. I do not think any one ever heard of the insurance companies charging anything except the uniform rate of insurance governed by the age, the mortality tables, and other considerations which enter into the fixing of the premium. The intention is to reach the insurance agent who, in order to do business, makes a little cut to the insured. That cut comes out of the agent, and does not impair the fund out of which the policy will ultimately be paid. It merely reduces the agent's profits by that much. This Bill simply prevents the agent from dickering, or doing business at all. It makes every insurance agent practically an automaton. So far as concerns the premium which goes to the company, of course that should be uniform, but why an ordinary insurance agent cannot make a discount of fifteen dollars, or twenty-five dollars, or fifty dollars, out of his commission on the first premium is something I cannot understand.

Mr. DOHERTY: I do not profess to be an expert in the matter, or to be able to explain it absolutely. At first glance, it would certainly seem as if there might be something in what my hon. friend says. I understand, however, that in the carrying on of the insurance business it has been found that if the practice is allowed, the agent, in his zeal to get business, is exposed to do it very largely, and there is a great temptation to the companies to use that method of getting business, which leads them not impossibly—and I believe in practice it happens quite often—to give some compensation to the agent in lieu of that rebate. However that may be, I may tell my hon friend these practices are legislated against universally, throughout North America at all events, and so legislated against as the result of inquiries made in different countries at different times as to the abuses that might arise in connection with the insurance business. This having been our law since 1910 as we all understood applicable to

all insurance companies, and being still our law unquestionably as applicable to insurance companies incorporated by this Dominion, I think we would be leaving the law in a very anomalous condition, and producing a most unfair state of things if we did not do as is sought to be done by this legislation, that is make it of general application.

Mr. GLASS: I do not see an analogy between the merchant doing business, who is allowed to sell his goods at any price he likes, and an insurance company doing business. According to the mortality tables, insurance companies are actually collecting a very much larger amount than is necessary from policyholders on the 3 per cent or 3½ per cent reserve generally prevailing. As is shown by the reports, in cases they are earning a great deal more than 7 per cent on the total amount of their investments, including bonds and everything else. The policyholder has a real live interest in the earnings of the company and the only way to compensate him adequately for what he has to contribute as exorbitant premiums, is to repay to him a division of the profits as they occur. My hon. friend has very rightly pointed out that in a very great many cases the agent receives his compensation as commission on the first premium. Many companies, however, have adopted the practice of paying their agents straight salaries, and this practice is becoming much more prevalent. Of course the salary a man gets is based on his power to produce business, and men vary in their ability in that respect. If an agent on salary gives a rebate to the insured, surely the money comes directly out of the funds of the company, and the earning power of the other participating policyholders, who are simply partners in the large business, must necessarily be impaired to the extent to which those rebates or commissions may be allowed. The matter of rebating in insurance has always been a serious evil, and I think has been an injury to the insurers themselves. It has always been understood that the old law did not apply to anything but life policies.

Mr. DOHERTY: Under this measure it will apply to all companies.

Mr. GLASS: In that respect it will better meet the needs for which it was created.

Mr. McKENZIE: To my mind, section 508 (c) is very badly drafted. I find it difficult to understand its meaning. It may be clear to an insurance man, but as an ordinary individual I regard it as very complicated and extremely difficult to understand. In view of the provisions of subsection (2) I cannot understand why this is made an indictable offence. The subsection provides a punishment which comes easily within the most ordinary summary conviction. Indictable offences are dealt with in a very elaborate, expensive and difficult way, as the minister knows. If the intention is merely to collect a fine ranging from $20 to $50, I do not understand why a man should have to go before the Grand Jury, the Petit Jury and the Supreme Court. It seems to me the machinery provided is altogether too cumbersome for the penalty.

Mr. DOHERTY: Speaking without the Criminal Code before me, unless I am mistaken—and I do not think I am—the fact that this is made an indictable offence does not make it impossible to be dealt with otherwise than by indictment. There are the provisions of the Criminal Code under which there may be option for summary trial, etc., so that no injustice is done to any one.

Mr. McKENZIE: I am very familiar with those terms.

Mr. DOHERTY: Perhaps the hon. gentleman is more familiar with them than I am.

Mr. McKENZIE: Proceedings are commenced the same as for sending a man to the Supreme Court, but when he is before a stipendiary magistrate he has the right to elect to be tried before that magistrate.

Mr. CARVELL: But only in certain cases.

Mr. McKENZIE: Only in certain cases. This would have to be put in the list of cases that could be so tried before he could come under that category. I think it would be well worth while for the minister to consider it, because, certainly, it should be dealt with in the ordinary way, summarily before a magistrate.

Mr. DOHERTY: The Bill was drafted by the Deputy Minister of Justice and I understand that in putting it in this form he put it in the same form, and dealt with it in the same manner, as analogous offences are dealt with in the Criminal Code generally. With all respect, and while I am prepared to admit what may be the more accurate knowledge of my hon. friend, I entertain a pretty strong conviction that it is open to the accused in a matter of this kind

to obtain a summary trial. In any event, should that not be true, there is no injustice done to the public, or done to the individual, and there is no evil, from the point of view of the public prosecution, arising from allowing it to stand as an indictable offence. All that is lost is that there would be no option on the part of the prosecution to proceed otherwise than one is bound to proceed upon an indictable offence. I am sorry that I did not anticipate the raising of this question, which is quite a proper question for the hon. gentleman to raise, and that, not being provided with the Criminal Code, I am not in a position to speak more positively than I do. But, I feel confident that no injury would be done to anybody liable to be prosecuted for this offence by reason of its being made an indictable offence.

Mr. McKENZIE: I understand what the minister means but I can assure him that if he would look at the Code, and look more particularly into the procedure, he would see that there is liable to be a great injustice done to the party accused. If he is tried summarily, if he is not satisfied with the magistrate's decision he may appeal. That is a great satisfaction to anybody. If he is brought before a magistrate and he has to elect to be tried under indictment he has no appeal. I am sure the minister will understand that this is a very striking difference.

Mr. DOHERTY: It is a difference; but on the other hand the party accused has an option as between the two methods of trial. He will not be dealt with on a summary prosecution without an appeal except as the result of the exercise of his own option.

Mr. McKENZIE: Under this Act there are two things that he can do. The magistrate before whom he comes will have to send him up for trial to the Supreme court. He will have to explain to him that on a certain day the Supreme court is going to sit where he can be tried before a judge and a jury. He will have to say: "You have the option to forego that and be tried before me now if you consent to it." The accused says: "I prefer to go to the jury," or, "I consent to be tried before you." If he says that he consents to be tried before the magistrate, he is tried and whatever the decision of the magistrate may be there is no appeal from it. But, if he is tried summarily before a magistrate on an ordinary information, he can appeal in the ordinary way and, of course, the procedure under which a man can appeal is a more popular and a better procedure in small cases of this kind.

Mr. DOHERTY: While I appreciate the value that may attach to an appeal, on the other hand, I think it deprives a man of trial by jury which is an inherent right. Then, to have him tried otherwise than by jury without regard to any consent of his own is perhaps a more serious thing. There should be a procedure which leaves it open to him to be tried by a jury or to have the trial before a magistrate without appeal. He has an opportunity and he has an option. If we make it a matter of summary trial simply, he will have to go before the magistrate. It is true, he will have an appeal to a judge of the higher court, but he will have to stand by the findings of the judge, he will be deprived of his trial by jury. While the penalties are not exceedingly heavy, the offence in itself is not in any way a minor one. It would be very undesirable to treat it as such. From the point of view of the class of people who will be liable to be charged with offences of this kind, people who may be in the very largest way engaged in this very important business of insurance, I do not think we should merely, because the penalty is not heavy, deprive them of the right to have a trial by jury if they so desire. I do not think it is much of a grievance that instead of being subjected absolutely, in the first instance, to the judgment of the magistrate—with the right of appeal, it is true—the accused is placed in a position where he may at his own option have the verdict of his peers or the judgment of the court but without an appeal.

Mr. McKENZIE: I see that the minister stands by the Act, but I wish to point out to him as a lawyer who has had a good deal of practice in matters of this kind, that to send a man up under an indictment is a very serious matter. If a man is brought up with a view to his being indicted under this Act he comes before the magistrate or he elects to take the privilege which the minister points out. Then the magistrate has to send him to jail. He applies for bail. The magistrate has no power to take bail. If he is brought before a magistrate under this Act and he says: "I will not agree to be tried summarily before you, I want to be tried by a jury," what must the magistrate do? He must send him to jail. If he is sent to jail he must

get an order from a county court judge to get bail. It is true that there is a provision by which the magistrate is permitted to say: "The evidence is not strong, I will simply hold you over for trial, and I will take bail myself." The magistrate can say that, but if the evidence is strong and he commits for trial it is beyond his power absolutely to take bail and the man must go to jail and then apply to a supreme or county court judge for authority for some magistrate to give him bail. It is for this reason that I am bringing the matter to the notice of the minister.

Mr. DOHERTY: I understand the hon. gentleman does not question the power of the magistrate to grant bail?

Mr. McKENZIE: If the evidence is not strong enough to commit.

Mr. DOHERTY: I have not the section before me, but as I recollect it, it is a matter for the magistrate to appreciate, and, if I am not mistaken, he is entitled to appreciate the nature of the evidence and the probability of the person disappearing rather than presenting himself for trial, in the exercise of his power to allow bail.

Mr. McKENZIE: It has no power at all, except as I have stated.

Mr. DOHERTY: I regret I have not the Criminal Code before me and I do not like to question the positive assertion of the hon. gentleman, but I do know that, in my own experience, it is only for the graver offences that a magistrate would refuse to admit a man to bail. Certainly he would not in the case of an offence of which the penal consequence is so light as in this case.

Mr. McKENZIE: We need not discuss it, because it is in the Code in plain words.

Mr. DOHERTY: We will take it that it is in the Code in plain words and will not discuss it further. But I adhere to what I said, that I do not think a man has a grievance because he has to submit himself to a magistrate, subject to appeal to the higher court, with the option of having his trial by jury. So far as the question of bail is concerned, if the magistrate cannot or will not admit him to bail, the accused has his recourse before a judge of a higher court.

Mr. McKENZIE: For a man living in a city, where judges are easily accessible, the consideration which the minister advances may be some consolation, but if a man lives twenty or forty miles away from a judge and is put in a lock-up by a magistrate it is not as easy as the minister might think to obtain authority for bail. However, the minister thinks it is all right. Every word of subsection 2 and all the procedure is of a summary character, the language of the Summary Convictions Act is used. Everything is summary in its nature and procedure except that this is made an indictable offence, with three months in jail if the fine is not paid.

Bill reported, and read the third time and passed.

SALE OR USE OF INTOXICATING LIQUORS.

BILL IN AID OF PROVINCIAL LEGISLATION; THIRD READING.

On motion of Hon. C. J. Doherty, Bill No. 121 to amend an Act in aid of provincial legislation prohibiting or restricting the sale or use of intoxicating liquors was read the second time and the House went into committee thereon, Mr. Rainville in the Chair.

On section 1—Insertion of words "for beverage purposes":

Mr. MARCIL: Are these amendments being inserted at the request of any particular provincial government or temperance association, or as the result of experience gained during the past year? What is the raison d'être?

Mr. DOHERTY: There are different raisons d'être. Some have been suggested by representatives of the authorities for the administration of prohibitory legislation, as in Ontario by the commission appointed under their statute. Others have been asked for by persons interested in temperance in certain provinces, more particularly in New Brunswick, and for the purpose of meeting legislation, in New Brunswick in particular, and legislation that I understand it is within the power of the commission in Ontario to bring into effect, if it has not already done so, and to give to that legislation the support or aid that is given to general legislation upon the subject by the Act of last year. Then, one amendment is to correct an omission in one of the sections of the Act passed last year. The Senate last year struck out a clause inserted by the Commons, and in accepting the Senate amendment it was announced in this House that another effort would be made to re-insert this clause in the Bill. The clause providing for the right of seizure of liquor has been introduced on representation of the authorities engaged

in the enforcement of the law in the provinces, who have pointed out that grave inconvenience has resulted from the fact that, while the liquor was liable to confiscation on conviction, there was no provision under which it could be seized and held pending prosecution. The first clause is to insert in paragraph (a) of section 3 of chapter 19 of the Statutes of 1916, after the word "liquor" the words for "beverage purposes."

As the section reads now, it makes it an offence for any person to ship intoxicating liquor into a province. The old section reads:

> (a) Shall send, ship, take, bring or carry or cause to be sent, shipped, taken, brought or carried to or into any province from or out of any other province, or import into any province from any place outside of Canada any intoxicating liquor, knowing or intending that such intoxicating liquor will or shall be thereafter dealt with in violation of the law of the province into which such intoxicating liquor is sent, shipped, taken, brought, carried or imported as aforesaid;

This amendment is inserted upon the suggestion of the authorities in Ontario charged with the carrying out of the liquor law. They point out that their prohibition is against the sale of liquor for beverage purposes, and was not intended to interfere with the shipping of liquor for any other purpose not prohibited by law. It was a mere oversight in the legislation of last year.

Mr. LEMIEUX: How does the hon. minister distinguish between liquor sent for beverage purposes, and liquor sent for other purposes?

Mr. DOHERTY: It is necessary in order to bring the offence under the law, to establish that the liquor is being sold for beverage purposes. That is the offence, and this imposes no additional requirements. In order to constitute a violation of the law, it must be sent for the purposes of being sold for beverage purposes, because that is the only violation of the law; and this is intended to avoid making prohibition which nobody desires. Nobody wishes to prohibit the free circulation of liquor for the purposes for which no province prohibits its use. Of course, it would be incumbent on the prosecutor to prove the liquor is being sent in for the purposes of violating the law. I do not know that any occasion has arisen for this provision, The request for this enactment comes really from the authorities charged with the administration of the legislation in Ontario.

[Mr. Doherty.]

Mr. J. J. HUGHES: Would the quantity of liquor not very largely determine the use for which it was intended?

Mr. DOHERTY: Yes, and the question whether the liquor is really suitable for beverage purposes. You may have liquor that would be very intoxicating, if you drank it, but not in a condition to be used for beverage purposes. These are the matters which, in a prosecution for violating the provincial law, would have to be dealt with. We are not adding anything to the difficulty in dealing with cases in making our law correspond with the prohibitory law of the province. I do not think any harm would be done if the law stood as it is. It is only as our attention is called to the fact that there was an inaccuracy, and it was suggested we should correct that inaccuracy, that this amendment is proposed, because if you send in liquor not for beverage purposes, it could not be said that it was sent in for the purpose of being sold in violation of provincial law, inasmuch as the prohibition of the provincial laws deal with liquor for beverage purposes. Large quantities of alcohol are used in the manufacture of munitions. It would be unfortunate if, by the wording of this law, there should be any interference with the handling of liquor manifestly only used for purposes of that kind.

Mr. J. J. HUGHES: When the Bill which passed last session was before the committee, it was thought by some that perhaps it was not intended to be very effective. I thought it would be a step in the right direction anyway, for pretty heavy penalties were attached to the carrying of liquor into provinces where the sale was prohibited. I think the minister read the clause in the Bill passed last year, and I desire to call his attention and that of the Government to the fact that the employees of the Government are the real offenders in this case, so far as the province of Prince Edward Island is concerned. I am quite safe in saying that nine-tenths of the liquor imported into the province is carried on the Government railways and steamships, and it could not be carried without the knowledge of the employees, if they have ordinary intelligence. A small portion of it is carried on the steamers subsidized by the Government, owned by private people, and the Minister of Trade and Commerce (Sir George Foster), I think, intimated last year that he would notify the owners or managers of the steamers so subsidized that if they knowingly violated the law the payment of the sub-

sidy might be withheld. I do not know that any notice was ever sent out. I rather think not. This traffic could not be carried on to any great extent if the government employees did not connive at it. If the government employees were determined that they would not be any party to it but would do the best they could to prevent it, and if the officers of the steamers subsidized by the Government would act in the same way, the traffic, so far as Prince Edward Island is concerned, would be practically stopped. I would like it very much if the Minister of Justice, and the Government generally, would take any action they could along that line. We are peculiarly situated in Prince Edward Island, because practically the whole traffic is carried on between that province and the mainland by government-owned railways and steamers, and the smaller portion is carried by the subsidized steamers. I think something ought to be done to prevent the traffic.

Mr. DOHERTY: Government employees and employees of the steamships are subject to penalties under the Act, as everybody else is, but quite apart from that, I quite recognize that anything that can be done to impress upon them the necessity of being law abiding citizens ought to be done, and I shall be glad to call attention to what the hon. gentleman has stated.

Sir WILFRID LAURIER: At whose instance is this amendment introduced? Is it at the instance of the Provincial Governments, or any of them, or temperance societies?

Mr. DOHERTY: The suggestions come from different directions. The principal sections are concurred in by the commission in Ontario charged with the administration of the provincial law and by people very much interested in the enforcement of the prohibitory law, I might say in a special way, in New Brunswick.

Mr. MURPHY: What commission in Ontario is that to which the minister refers?

Mr. DOHERTY: I cannot give the official designation of it, but I understand that, in the operation of the provincial prohibitory law, large powers are entrusted to a body which I believe—I have had the pleasure of meeting the head of it—is called a commission.

Mr. MURPHY: The Ontario Government Liquor License Commission?

Mr. DOHERTY: The authority constituted under the provincial Act to see to its administration. Representations have come from New Brunswick, and strong representations from different associations interested in the promotion of temperance, in support of such of the provisions as are new. As I have intimated, one of the provisions—and it is an important one—seeks to reintroduce and to replace in the Act of last session a section which the Senate struck out. That provision we are introducing now in fulfilment of a promise, made when the Bill came back from the Senate last year and was accepted with that clause struck out, that we would again ask the House to pass the section and send it back in order to afford the Senate an opportunity of reconsidering its action.

Sir WILFRID LAURIER: The Act which we passed last year is to give effect to different temperance legislation passed in different provinces. So far so good. If this amendment in the first section is asked for by the temperance societies, I have nothing more to say. But it seems to me that it is opening the door to very severe abuse and not making the enforcement of the law easier. Drug stores are places in which such legislation may be violated, and it is a well known fact that in many sections drug stores supply liquor. Suppose a druggist imports a certain quantity of liquor. If you ask him what he is importing it for, he will say, with some appearance of reason, that he is not importing it for beverage purposes, but that he requires liquor in the preparation of his drugs. Drugs are frequently prepared with alcohol, and this provision is supplying a good reason for the druggist to say: I want it in my own business. The effect may be to break the law.

Mr. DOHERTY: As I said a few moments ago, this suggestion came from gentlemen representing the commission in Ontario, and was with a view to making our law strike at those things which the provincial laws prohibit. As our law stands at the present moment, it is too wide in this sense that it applies to all intoxicating liquor. As I have pointed out, it is well known that large quantities of alcohol are used for purposes that have nothing to do with beverages, and none of the provincial laws so far purport to prohibit the sale of liquor for such other purposes. We, therefore, find ourselves with a law which is intended to aid provincial legislation, which strikes at something at which provincial legislation does not strike at all. My attention was called to the matter solely in the way I mentioned, and it seemed to be

desirable that the subject matter of the offence under our law should be described as is the subject matter of the offences under provincial legislation. I am disposed to think that, save in so far as there might be difficulties created and interferences with people dealing with liquor of a kind not intended to be covered at all from the temperance point of view, no evil would follow if our law remained as it was. But this amendment makes it more accurate, and as the suggestion came from the source I mentioned, I felt it would do no injury from the point of view of the enforcement of the provincial law.

Mr. J. J. HUGHES: Will this law make it easier for druggists to import liquor than the former Act did?

Mr. DOHERTY: I think not.

Sir WILFRID LAURIER: I think the druggists will say it will.

Mr. DOHERTY: It is not what the druggist is going to say that is going to settle the question. Whether those words are in or not, the man who institutes a prosecution under this measure will have to prove to the court that that liquor was sent in to be dealt with in violation of the provincial law. The first thing he will have to prove, whether the case is against a druggist or any other man, is that the liquor was to be used for beverage purposes, because unless it was for beverage purposes it could not be used in violation of a provincial law. Every man who seeks to prosecute under this law has to establish two things: first, the sending in of the liquor, and second, that it was sent in to be used in violation of a provincial prohibitory law. In order to prove that, he has to establish that the liquor was sent in for beverage purposes. It is not what the druggist is going to say; the man who is prosecuted for bringing in the liquor has to clear himself with regard to what his purposes were.

A section of the Act which we are amending reads:

> On any prosecution for the violation of section 1 of this Act the accused person shall be deemed to have known or intended that such intoxicating liquor would be thereafter dealt with in violation of the law of the province into which such intoxicating liquor was sent, shipped, taken, brought, carried or imported, unless he proves that he had good reason for believing that the intoxicating liquor would only be dealt with in a lawful manner.

The burden of proof is on the accused to establish that there was no intent to use the liquor unlawfully. In the second place, the druggist, whom the hon. members have in mind, is the druggist who receives the liquor in the province. His offence is an offence under the provincial law, and we shall not affect what will have to be proved against him for dealing with that liquor in violation of the provincial law. This law deals with the man in the outside province who sends the liquor. What the druggist says is not going to make any difference in regard to the matter. This man has sent liquor in, he is charged with having sent it with knowledge that it was to be used for unlawful purposes, and it is for him to satisfy the court that he had no knowledge of any intent to use it for unlawful purposes.

Mr. CARVELL: In other words, there might be two offences for the same act.

Mr. DOHERTY: This is to cover the offence of the man outside the province who sends the liquor into that province. That man, of course, could not be reached by the provincial legislation, and it is to reach him that this legislation is enacted.

Mr. CARVELL: That does not affect the man who receives the liquor?

Mr. DOHERTY: No, the province takes care of him.

Mr. J. E. ARMSTRONG: I am sure the Minister of Justice is to be congratulated upon bringing forward this measure. It is a step in advance in the direction of total prohibition in our country. I should, of course, be very glad if total prohibition could be brought about in this country, but the minister assures me that it is not possible at the present time.

Mr. CARVELL: Do you believe him?

Mr. J. E. ARMSTRONG: The subject of temperance legislation has engaged the attention of this Parliament and of the local legislatures for many years. The progress made in temperance reform in Canada has been most remarkable, and the end is not yet. I, for one, will welcome the day when national prohibition will be an assured fact in this country. I represent a district which is strongly in favour of temperance and Dominion-wide prohibition, but they did not send me here to legislate for one district or one province alone, but for the whole Dominion. They know that any province in the Dominion can have prohibition just as soon as the people of that province decide in favour of it, through their provincial legislature. In 1893 the Liberal party promised a plebiscite upon the question of

prohibition, and in 1898 the plebiscite was taken and carried by a large majority. But the Government did not enforce it, leaving the matter to the provinces. The provinces then took it up, and while most of them to-day have advanced temperance legislation, none of them have come out for total prohibition.

Mr. McKENZIE: The hon. gentleman is reading his speech.

Mr. MARCIL: Is that a war-time speech?

Mr. J. E. ARMSTRONG: I am merely giving the dates in connection with this matter. I should also like to call attention to the fact that on the 17th April, 1916, the Minister of Justice introduced a Bill in aid of provincial legislation prohibiting or restricting the sale or use of intoxicating liquors. While this matter has been pretty fully discussed in many of the provinces, the provincial governments have hardly dealt fairly with the people in directing petitioners for total prohibition and their petitions to the Dominion Government, when the provincial governments themselves have power in their hands to bring that about. Let me read a portion of clause 1 of the Bill introduced on the 17th April, 1916:

> Any person who by himself, his clerk, servant or agent, and any person who as clerk, servant or agent, officer or employee of any other person, or of any government railway or steamship, whether Dominion or provincial,
>
> (a) shall send, ship, take, bring or carry or cause to be sent, shipped, taken, brought or carried to or into any province from or out of any other province, or import into any province from any place outside of Canada any intoxicating liquor, knowing or intending that such intoxicating liquor will or shall be thereafter dealt with in violation of the law of the province into which such intoxicating liquor is sent, shipped, taken, brought, carried or imported as aforesaid; or
>
> (b) shall sell or cause to be sold any intoxicating liquor, knowing or intending that such intoxicating liquor will be sent, shipped, taken, brought or carried into any province from any other province, or from any place outside of Canada, and thereafter dealt with in violation of the law of the province into which such intoxicating liquor is sent, shipped, taken, brought, carried or imported as aforesaid.

Then follow the penalties. There is no question in my mind that the provinces have the power to prohibit the importation and sale of liquors of any kind.

Mr. CARVELL: The importation?

Mr. J. E. ARMSTRONG: If the provincial governments will prohibit the sale or use of intoxicating liquor in the provinces, the Dominion Government will support them and not allow the liquor to be taken in.

Mr. McKENZIE: That is the law absolutely in the province of Nova Scotia and New Brunswick, and, I think also, in Ontario.

Mr. J. E. ARMSTRONG: While it is true that the Dominion Government are prepared to assist the provinces in this matter, not one province has yet taken advantage of this law.

Mr. McKENZIE: In what way did my own province, for instance, fail to take advantage of the law?

Mr. J. E. ARMSTRONG: Not a province in the Dominion has granted total prohibition within its borders.

Mr. McKENZIE: Nova Scotia has total prohibition.

Mr. J. J. HUGHES: So has Prince Edward Island.

Mr. J. E. ARMSTRONG: Why do they not prohibit the importation of intoxicating liquors?

Mr. CARVELL: They can't.

Mr. McKENZIE: The question of the manufacture, the transportation, and the sale of liquor, excise, customs, and inland revenue, are all matters of Dominion jurisdiction, and the provinces have no authority to deal with them.

Mr. MARCIL: Will the hon. member submit to the House the name of any reputable temperance organization which says that this legislation is satisfactory? Will the hon. member deny that what the temperance people, and, in fact, public opinion in Canada, have been demanding for the last two years is the total prohibition of the importation, sale and manufacture of intoxicating liquors? When we have reached a time when it is necessary for the Food Controller to cut down the amount of meat we shall eat, I think it is surely time to let up on whisky.

Mr. J. E. ARMSTRONG: I was calling attention to the fact that if any province will prohibit the sale and use of liquor within its borders, the Dominion Government will prohibit the importation of liquor into that province.

Mr. CARVELL: Under what conditions?

Mr. J. E. ARMSTRONG: Under the conditions which I have just read.

Mr. CARVELL: That is not prohibition.

Mr. ARMSTRONG: Then what is it? It is prohibition as far as the province is concerned.

Mr. CARVELL: I have forgotten the exact wording of the clause, but it is to the effect that the importation can be prohibited if the person who is sending it in believes it is to be used in violation of the law. Of course, a wholesale merchant in Montreal sending liquor to New Brunswick would have no hesitation in saying that he did not believe it was to be used in violation of the law, but it would be used in violation of the law just the same.

Mr. DOHERTY: The presumption is that he did, and he has to prove that he didn't.

Mr. McKENZIE: This Government grants licenses for the manufacture and sale of intoxicating liquors, and the government railways collect freight for carrying it to places where the liquor is sold in violation of the law. If my hon. friend wants prohibition, let the Government stop the traffic at the fountain head. Do not let the current go into the province and then try to stop it.

Mr. J. E. ARMSTRONG: I am satisfied that the provinces have the power to prohibit so far as the manufacture, sale and use within the province is concerned; there is no question about that. The Minister of Justice supports me in that position, and with his consent I will place on record a few questions which I asked him on the subject only a few weeks ago.

Mr. ROSS: The late Provincial Secretary takes the opposite view entirely. He says that the provinces have no power to prohibit the manufacture and sale.

Mr. J. E. ARMSTRONG: There is no question that the provinces have power to prohibit the manufacture and sale of liquor for use within the province.

Mr. ROSS: The late provincial secretary says not.

Mr. J. E. ARMSTRONG: My letter to the Minister of Justice was as follows:

Dear Mr. Doherty:—

I would greatly appreciate if you would advise me as to whether any province in the Dominion has the power to prohibit the manufacture and sale of liquor within their boundaries.

Further, has any province of the Dominion the power to prohibit the circulation of literature or advertising which has the object of promoting the sale of liquor to its people?

Is the Dominion Government prepared to prohibit the importation of liquor into any province that has passed an Act prohibiting the manufacture, sale or use of liquor in that province?

The minister replied:

Ottawa, August 1, 1917.

Dear Mr. Armstrong:—

Replying to your letter of the 20th ultimo, I beg to say that in my opinion there is absolutely no question of the right of a province to prohibit the sale of liquor within its boundaries. As regards the manufacture, the Privy Council has never given a categorical answer to the question. This much, however, may safely be said, that it is within the power of a province to prohibit the manufacture when the conditions under which it is carried on are such as to make it a matter of local concern in the province.

In reply to your second question, in my opinion, the province has the power to prohibit the circulation within its limits, of literature or advertising which has the object of promoting the sale of liquor to its people.

In reply to your third question, the Dominion Parliament, at the instance of the Government, has already passed legislation prohibiting the importation of liquor into any province, to be therein used in violation of the law of that province. The effect of this is that it is a violation of the Dominion law to send liquor into a province to be sold therein in violation of the law of that province. And without further legislation on the part of the Dominion, if any province chooses to prohibit any other method of dealing with liquor than the sale thereof, as for instance, the use of it for beverage purposes, it will then be a violation of the existing Dominion law for any one to send liquor into that province, to be dealt with in violation of any such law.

The practical result is that any province that wants to prevent liquor being sent into it for use as a beverage, can attain that end by prohibiting the use in the province of liquor as a beverage. Such a prohibition on their part will produce the result that under the already adopted Dominion law, it will be an offence to send liquor into the province to be used as a beverage.

Yours sincerely,

Chas. J. Doherty.

J. E. Armstrong, Esq., M.P.,
House of Commons,
Ottawa.

Surely the statement as made by the Minister of Justice is sufficiently plain.

Mr. CARVELL: Speaking with a cursory knowledge of the law of Ontario, I should say a man could keep a certain amount of liquor in his house for beverage purposes.

Mr. J. E. ARMSTRONG: Any man?

Mr. CARVELL: There is no limitation at all. If a man in the city of Ottawa for instance wants to send over to Hull and get a case of whisky—

Mr. MARCIL: They do it every day.

Mr. CARVELL: Is there anything in this law to prohibit him from doing it? As long as he wants it for his own use?

Mr. J. E. ARMSTRONG: The statement I have already placed on Hansard entirely bears out the argument I have made.

Mr. CARVELL: Then, there is nothing to prevent the importation of liquor from Quebec into Ontario so long as a man is going to consume it himself.

Mr. R. B. BENNETT: So long as the province does not prohibit it.

Mr. J. E. ARMSTRONG: I am inclined to say the provinces are hardly dealing fairly with the Dominion on this question. They have absolute power to forbid the sale and use of liquor, and they can stop that liquor from coming into the province. Still, they will not do it. So far as I can learn no province has taken advantage of the legislation which the Dominion Government has placed on the statute books. Let me go a little further.

Mr. ROSS: Could not the Government effect the very same purpose by prohibiting the manufacture and importation of liquor in a province?

Mr. J. E. ARMSTRONG: Then it would be interfering with the autonomy of the provinces, and my hon. friend would be one of the first to argue that that would be seriously interfering with provincial rights.

Mr. ROSS: Let the Government try it, and I will show you what I will do.

Mr. J. E. ARMSTRONG: Not only did the minister, in 1916, advance temperance legislation in this regard, but he brought in a further Bill, No. 121, which has further restricted wholesale quantities to certain persons. I am glad to say he has been able to give the provinces the power to control the distribution by mail of advertisements for the sale of liquor. Section 3 (a) of the Bill says:

> 3a. Any person who by himself, his clerk, servant or agent, and any person who as clerk, servant, agent, officer or employee of any other person, sends or attempts to send, through His Majesty's mails, to, from or in any province, any advertisement, letter or document with respect to the sale, purchase or furnishing of intoxicating liquor, the publication or circulation of which is prohibited by the law of such province, is guilty of an offence and liable on summary conviction to a penalty of not less than ten dollars and not exceeding one hundred dollars, or to imprisonment for a term not exceeding thirty days, or to both fine and imprisonment.

In the district I have the honour to represent they have felt it has been a very great injustice to allow the Post Office Department to be used for the purpose of distributing advertisements for the sale of liquor. The same contention is made in different parts of the province of Ontario and I am sure I am voicing the sentiments of every member of the House when I say we appreciate the efforts of the minister in bringing about this legislation.

Mr. LEMIEUX: I am surprised that the mails of His Majesty are polluted by liquor. When I had the honour to be Postmaster General of Canada I issued directions to every mail carrier not to carry liquor with His Majesty's mail. I do not see how the next section can be made effective, because it prohibits the circulation of liquor literature or advertisements through His Majesty's mail. The Montreal Gazette is full of liquor advertisements. Many of the Montreal papers contain advertisements of the licensed victuallers, and include the names of the various port wines, Scotch whiskies and so on. They pass through the mails without anything to prevent them, and they circulate largely in other provinces.

Mr. DOHERTY: But, this law is to prevent that.

Mr. LEMIEUX: Would my hon. friend undertake to say that the Montreal Gazette, or La Patrie, or Le Canada, or Le Devoir, or any other Montreal newspaper containing liquor advertisements will be forbidden circulation in provinces where they have prohibition?

Mr. R. B. BENNETT: It is being done in the United States.

Mr. DOHERTY: If the province prohibits it. This has been done in many cases.

Mr. LEMIEUX: I think that is a very drastic section. It means that if the Government of Ontario is sincere it will have to prevent the Montreal Star, the Montreal Gazette, La Patrie, Le Canada, and nearly every paper published in Montreal from circulating in Ontario. The only paper that does not publish any liquor advertisements is the Montreal Weekly Witness, which lives up to its professions, and has always been a temperance paper. But all the press of Montreal will be suppressed by the Ontario Government.

Mr. R. B. BENNETT: No, the advertisements will be suppressed but not the papers.

Mr. LEMIEUX: I would be very much surprised if the Toronto Government would notify the Montreal Gazette and the Mont-

real Star that they will not be allowed to circulate in Ontario unless these liquor advertisements are omitted.

Mr. R. B. BENNETT: They have done it in the United States.

Mr. LEMIEUX: I confess that the section will prove very drastic if it is lived up to and if the Ontario Government is sincere. Immediately after this Bill is sanctioned we will have a test of its sincerity. If it is sincere it will prohibit these papers from circulating in Ontario.

Mr. MARCIL: I find in the Montreal Gazette of to-day two advertisements, one for "Molson's Extra Mild Ale" and another for "White Horse, the pride of the Army."

The CHAIRMAN (Mr. Rainville): We are not on clause 2 yet.

Mr. DOHERTY: We are on clause 1.

Section agreed to.

On section 2—Mails not to be used for circulating liquor advertisements, etc., in province where such advertisements are prohibited:

Mr. R. B. BENNETT: Last year I very strongly supported legislation of this character, and it is a matter of more than ordinary satisfaction to know that the province of Alberta, at the last session of the legislature, availed itself of the very provision of the statute that we then passed. I submitted at that time that any province might pass legislation limiting the quantity of intoxicating liquors that any of its citizens might have in his possession, and that once that limit was imposed by provincial legislation, it followed that by virtue of the legislation we then passed, any attempt on the part of any person either to ship or to import into that province a larger quantity than the quantity fixed by the law of the province would be a violation of the law and subject both the importer and the shipper to the penalties that are provided. So that, on the first day of July of this year, there came into force a statute passed by the legislature of Alberta which provides that if any individual has in his possession a greater quantity than one pint of intoxicants, he shall be subject to the pains and penalties provided by the statute.

Mr. CARVELL: Not even a "square-face."

Mr. R. B BENNETT: Not even a "square-face"—and a larger quantity of beer. It follows that in that province to-day, if the firm in Montreal to which my hon. friend has just referred, endeavoured to ship to the city of Calgary, consigned to me, a case of whisky, I should be liable under the terms of the Act of last session, and the shipper would also be liable because of the shipment into Alberta of a larger quantity than by the law of the province I could have in my possession. Therefore, this statute in actual practice is working out to the very end that was sought; and by and by, when public opinion has become educated, and there is behind the law that sanction of public opinion without which no statute can become effective, the legislature will declare that it is an offence for any of its citizens to have any quantity of intoxicants in his possession. When that moment arrives, as it will arrive, any shipment from Ontario or British Columbia into that province will be a violation of the provisions of the statute and prohibition will be an accomplished fact.

My hon. friend from Cape Breton (Mr. McKenzie) referred to the fact that the Federal Government might have enacted a statute forbidding the manufacture of intoxicants. But I desire to point out to him that large investments have been made in this country for the manufacture of intoxicants, not necessarily for the use of the Canadian people, and for my part, while I am content to see placed upon the statute books of my country, province and Dominion alike, legislation which will bring about prohibition, I am not yet so ambitious as to desire to impose my views as to sumptuary legislation upon the minds of those who may desire to import Canadian whisky into their own country. The enactment of temperance legislation goes on in Canada and if we were to carry the laws on the statute books to their ultimate end these intoxicants could find a market only outside of Canada and in those countries that may desire to use them. That is the position. I do not believe that my hon. friend would think that it would be proper on the part of the Canadian Parliament and people to say: We will forbid you to manufacture for those people in South America who like Walker's whisky or a form of gin that is manufactured. If these people see fit to use these intoxicants they must be the best judges as to what they want. I would resent very keenly the people of South America undertaking to determine what I should eat or drink. If they desire to use intoxicants in that manner, I submit, we should not prevent them. If we so desire, legislation looking to the accomplishment of prohibition in Canada, can be made absolutely effective. The province of Alberta is now on the highroad to that end. As far as

the carrying trade is concerned I am sure that my hon. friend will agree that a common carrier must accept freight. He who ships and he who receives must accept any consequences in so far as they involve a violation of the law, unless we treat the carriage of liquor as we do some form of high explosives and make the law absolutely prohibitive.

As far as this section is concerned, it aims to treat advertisements in public newspapers on the same basis as shipments of the liquor itself. If the province of Alberta, as it has, passes legislation forbidding advertisements within the province of intoxicants for sale, forbidding advertisements in newspapers in Alberta, this legislation makes it an offence for a newspaper publisher outside of Alberta to send into that province his papers with advertisements of intoxicating liquors offered for sale. What happened in the United States may happen here. I have no doubt that hon. gentlemen are fully aware of the great struggle that took place in some of the western states to accomplish this very thing. One of the largest and most enterprising journals in the United States is publishing a special edition for circulation in those states where they have passed this law while its general edition circulates throughout other parts of the republic. I doubt not that many hon. gentlemen in this House have seen the editorial references that have been made by Life, one of the most interesting of American journals, with respect to the character of that legislation. Whether such legislation commends itself to every one or not is another question, but at least this Bill makes effective the Acts which have been passed by the provinces in the exercise of the legislative jurisdiction which they enjoy under the constitution. They having declared their mind this Parliament has supplemented their efforts by declaring that any endeavour on the part of a liquor seller or newspaper vendor to circumvent the law of the province and to nullify its effect shall be an offence punishable upon conviction under the statute. For that reason I congratulate the minister upon what he has done. I do believe that when we have carried this legislation to its finality we shall have accomplished, with the sanction of the great body of public opinion behind it, that measure of prohibition which only will be effective in a country such as this.

Mr. BURNHAM: I should hesitate to adopt the moral principle laid down by the hon. member for Calgary, namely, that because other people want a thing, therefore it will be right for us to manufacture or to provide it. If the people of the Fiji Islands wish to commit murder, therefore, under this principle, I have a right to ship them knives or explosives or anything of that kind, knowing exactly for what purpose they wish to have them. That is a doctrine to which I will not subscribe. Too much congratulation cannot be extended to the Minister of Justice for his fair and equitable handling of this question. There has been a great body of public opinion in Canada both for and against provincial rights. That is to say, they have been on some occasions very strongly for provincial independence, and those very same people, when other matters were under discussion, were very anxious that provincial rights should not be granted. Such an impossible position as that, of course, could not exist. It is in the face of that that the Minister of Justice, bearing in mind the essential principle of provincial rights, has endeavoured to make provincial rights what they were intended to be, namely, a source of independence and liberty on the part of the provinces so far as it is possible, for them to exist consistent with Confederation. He has observed that; he has carried it out; he has put in the hands of the different provinces the possibility of practising that degree of abstinence which they desire. It is well recognized, and must be recognized, that if a province does not desire to have prohibition, as, for example, British Columbia, it would be absolutely impossible for the Dominion to enforce it there. We know perfectly well, following what has been said by many members of the Opposition with regard to different railways, and so on, that if prosecutions did ensue it would be put down to politics, and if they did not it would also be put down to politics. So that, all things considered, there can be no question whatever that this method of dealing with the liquor question is beyond all peradventure the very best, and I am sure that the people of Canada will congratulate the Minister of Justice and the House upon having piloted through such a wholesome measure.

Mr. R. B. BENNETT: I was dealing with sumptuary legislation. Sumptuary legislation is a matter about which divers opinions are held by divers people, and I for one am not prepared to decide upon sumptuary legislation for anybody in South America.

Mr. MARCIL: Would the hon. member tell the House that he is in favour of continuing the manufacture of liquor and beer in this country with foodstuffs which are required at the present time? Does he consider that these are normal times in Canada, and that, in view of what Parliament has authorized by Order in Council, the time is opportune to deal with this question as he would have dealt with it ten or fifteen years ago?

Mr. R. B. BENNETT: I am opposed to the use of grains for the manufacture of intoxicating liquors in war times, and always have been.

Mr. McKENZIE: Even for the people of South America?

Mr. R. B. BENNETT: Even for the people of Ontario.

Mr. DOHERTY: I would call attention to the fact that we are on a clause dealing with the question of sending liquor advertisement through the mails, and it seems to me that the discussion of the general question of prohibition is not relevant to this clause.

Mr. McKENZIE: It is unfortunate that these rules are discovered when the discussion drifts to this side of the House. The cyclone commenced in western Ontario and swept this way, taking in all the provinces; but only when it crossed the Table to this side of the House were there any rules at all. I am sorry, now it has crossed to this side, that prohibition and restriction have immediately come into force.

On section 4 B—Seizure of liquor pending conviction:

Mr. DOHERTY: This is a clause to make it possible to seize liquor so that it may be held until the conviction is had. Under the Act as it stands, if there is conviction of an offence against this Act the liquor which forms the corpus delicti is confiscated, but unless you provide for a method of seizure whereby it can be held, in most cases the liquor is not there when the conviction is obtained. I think the necessity of the clause is obvious. Attention has been called to this matter by different provincial officers engaged in the enforcement of the law.

Mr. J. J. HUGHES: I beg to suggest some slight amendments to this section, having in view the conditions in Prince Edward Island. Provision is made to have an officer search a government railway or vehicle or steamship. I should like to have the word "warehouse" inserted after "railway".

Mr. DOHERTY: Are there Government warehouses?

Mr. J. J. HUGHES: Yes, and liquor is stored in them.

Mr. DOHERTY: I shall be very glad to insert the word "warehouse".

Mr. J. J. HUGHES: Liquor is imported in packages and every device is used to prevent officers knowing there is liquor in the package. It is imported in flour barrels, boot boxes and so on. I should like to see power given an officer to open a package that he thought might contain liquor, and to have it provided that he should not be liable to any penalty in consequence. I do not know whether that power could be given to him by this Act or by provincial legislation. You give the officer power to search premises and remove any intoxicating liquor in packages, and so on. I suggest that you add the following words:

And may open and examine the contents of any package or packages which he thinks may contain intoxicating liquor.

Mr. DOHERTY: He is enabled, under this section, to seize and remove any intoxicating liquor or any packages containing the same. I do not think there is any doubt about his power to open and examine packages. The section states that if he has reason to believe there is any liquor on any premises, he has power to enter and search such premises. I would have no doubt that a man entitled to search a place to find a particular thing is entitled to search every receptacle on the premises.

Mr. J. J. HUGHES: And open the package?

Mr. DOHERTY: Yes.

Mr. J. J. HUGHES: If he is mistaken, he is not liable to a penalty?

Mr. DOHERTY: No man is liable to a penalty for doing that which the law authorizes him to do.

Section adopted.

On section 4 (c)—Operation of Canada Temperance Act may be suspended upon petition:

Mr. CARVELL: Does this meet the condition of affairs in New Brunswick at the present time? Petitions have been sent to

the Government from a great many counties in New Brunswick.

Mr. DOHERTY: It is at the instance of the people promoting those petitions that this legislation is proposed.

Mr. CARVELL: There are petitions asking for the repeal of the Canada Temperance Act, in order that the prohibitory Act of New Brunswick may come into force, and this Order in Council will make unnecessary the holding of an election in these respective counties, but we can have the Prohibition Act brought into force by means of passing this Order in Council.

Mr. DOHERTY: The petitions for this provision came from other provinces, but principally from New Brunswick, and I intend to move an amendment to this section, to make it quite clear that this applies not only to petitions which are received after this Bill becomes law, but also to pending petitions. I am not quite sure that it is necessary.

Mr. CARVELL: Make it as strong as possible.

Mr. DOHERTY: If it is good for a petition received to-morrow, it is good for a petition which came in last week. I move that we amend section 4 (c) of section 3, by adding the words:

The present subsection shall apply to petitions already made, and upon which no polling has as yet taken place.

Mr. CARVELL: That is all right.

Amendment agreed to, and subsection as amended agreed to.

On subsection 4 (d)—Penalty for selling alcoholic beverages as medicines not to affect liability under provincial laws:

Mr. DOHERTY: That is only to meet the complications that have arisen. We have provisions in the Proprietary Medicines Act imposing penalties where, under guise of proprietary medicines, decoctions containing more than a certain amount of alcohol are sold. There have been cases where such preparations were purely and simply alcoholic beverages, and some of the courts have held that because of the provisions in the Proprietary Medicines Act the party could not be prosecuted under the Prohibition Act of the province. Under the last-mentioned Act the penalty is heavier than under the Proprietary Medicines Act, and this enactment simply means that the penalties imposed under the Proprietary Medicines Act could not be treated as in substitution for penalties in cases where the same act constituted the violation of the provincial law; so that, where an act is a violation of the Proprietary Medicines Act and a violation of the Provincial Prohibitory Act, you may prosecute under the one Act or the other.

Section agreed to.

Bill as amended reported, and read the third time and passed.

On motion of Sir George Foster, the House adjourned at 6.10 p.m.

Monday, August 13, 1917.

The House met at Three o'clock, the Speaker in the Chair.

REPORTS AND PAPERS.

Appendix to the Report of the Minister of Agriculture. Experimental Farms. Reports from the Director; Division of Chemistry; Division of Field Husbandry; Division of Animal Husbandry—for the year ended March 31, 1916.—Hon. Mr. Burrell.

Appendix to the Report of the Minister of Agriculture. Experimental Farms. Reports from the Division of Botany; Division of Bees; Division of Forage Plants; Division of Poultry; Division of Tobacco; Division of Illustration Stations; Division of Extension and Publicity—for the year ended March 31, 1916—Hon. Mr. Burrell.

Appendix to the Report of the Minister of Agriculture. Experimental Farms. Reports from the Division of Horticulture. Division of Cereals—for the year ended March 31, 1916.—Hon. Mr. Burrell.

THE CANADIAN NORTHERN RAILWAY COMPANY.

INTERIM BALANCE SHEET AND OTHER STATEMENTS PRESENTED.

Sir THOMAS WHITE (Minister of Finance): On Friday last the hon. member for South Renfrew (Mr. Graham) asked for information as to payments made by the Canadian Northern Railway Company on interest account under section 29 of the Act of 1914. I beg to lay upon the Table a statement showing that the interest has been paid in full to March 1, 1917, and that the next payment of interest is due on September 1, 1917. I also beg to lay upon the Table the following statements in respect of the Canadian Northern railway:

1. Interim Condensed Balance Sheet as at April 30, 1917.

2. Statement of estimate of cost to complete lines and terminals under construction, and financial provision for same.

3. Statement of contractors' and other construction accounts outstanding, 30th June, 1917.

4. Memorandum re unsold lands.

5. Estimate of amount required for betterments and rolling stock for three years.

These statements were all enclosed in a letter from the assistant to vice-president Canadian Northern Railway system. I also lay this letter upon the Table.

THE MILITARY VOTERS' ACT, 1917.

INTRODUCTION OF BILL.

Hon. C. J. DOHERTY (Minister of Justice) moved for leave to introduce Bill No. 127, The Military Voters' Act, 1917. He said:

The purpose of this Bill is to make more adequate and complete provision for the taking of the votes of our soldiers during the present war than is found to exist under the present legislation for that purpose. The House will realize that, since the enactment of the legislation of 1915, conditions have very materially altered, and that what might have proved workable at that time is to-day difficult, at all events, of being so carried out as to afford full opportunity for the recording of the soldiers' votes while at the same time providing those safeguards which the conditions make possible. I have said that conditions have very materially altered. For instance, to-day in taking an overseas soldiers' vote, you are concerned with something like five or six times the number of votes that were in contemplation at the time of the passing of the legislation already on the statute book. In the second place conditions with regard to facilities and safety of communication between this country and the overseas countries have been very seriously modified. These changes in conditions make necessary very important modifications in the legislation as it exists, modifications so important that it has been thought better to remodel the Act entirely rather than to endeavour to proceed by way of amendments to particular sections. I do not think I need dwell upon those differences of conditions because they are perfectly obvious to everybody.

The Bill, apart from making changes to meet the altered conditions, makes some changes in the qualifications of the military voter. It is proposed to include all persons in the service, not only soldiers, but those in the naval service of Canada, and those who are in the Imperial service, but who have been enrolled therein in Canada and whose position with regard to the services they are rendering is such as to enable us to deal with them as groups. For instance, the Aviation Corps is the principal one.

Sir SAM HUGHES: Why not let the Canadian who has taken service in the Imperial Army also have the vote?

Mr. DOHERTY: That matter has had very careful consideration.

Sir SAM HUGHES: There are thousands of them.

Mr. DOHERTY: It is not merely a matter of giving a vote, but one of providing the means for taking that vote. Where you are dealing with an individual who may be found somewhere in the Imperial forces, it would certainly not be easy to provide a method by which he could be sought out and dealt with here, there and elsewhere.

Sir SAM HUGHES: You might afford him an opportunity of voting.

Mr. DOHERTY: I might say, however, just at this stage, seeing that this suggestion has been made, that while I am putting this measure before the House, and while it has had very considerable thought and a very earnest endeavour has been made to provide a law that would afford opportunity for every Canadian who is serving in this war to record his vote, we —and I am speaking certainly for the Government—are quite open for any suggestion looking for the more perfect attainment of that end. If a method can be produced to work out that result, I think I can say even now that we would certainly be prepared to give every consideration to a suggested method of doing it. It is not lack of disposition to extend the vote to every Canadian who is serving, that stands in the way of every Canadian getting the vote. If there be any with regard to whom it may not be possible that they should exercise the franchise, it will be only by reason of that impossibility that they will fail to do so.

It is proposed to do away with any distinction between the soldier who is of age and the soldier who may be under 21. It is furthermore proposed to do away with any distinction of sex as regards persons engaged in the service of Canada. Nurses, for instance, will be included, even though they

be, as they are in most cases, women. We have sought to make the measure applicable to everybody who is doing service for Canada and for the cause for which Canada is fighting in this war. By way of removing all doubts which seem to exist, we have specifically mentioned the fact that a person's being an Indian, if he be a soldier, will not exclude him from the vote. My own belief was that even under the statute as it stood, an Indian who was a soldier could vote, but there seems to have been some doubt on the subject, and that doubt is removed.

Mr. MARCIL: Has the minister considered the case of the reservists who enlisted in the French and Belgian armies?

Mr. DOHERTY: The question was considered in connection with a similar one in regard to Canadians in the Imperial army. The Bill, as it is presently drafted, does not provide for their vote. As I said in regard to the other question, this is not because I do not quite recognize the desirability of their being enabled to vote if it were practically possible, but because, notwithstanding consideration of different methods of getting at it, we were reluctantly forced to the conclusion that we could not find the machinery to carry it out, without creating machinery altogether out of proportion to the number of persons who would be in a position to avail themselves of it. With regard to that, as with regard to all details of the Bill, we shall be very glad of suggestions looking to improvement.

As to the method of proceeding to the election, the principal change is that this Bill proposes to provide a complete machinery overseas for the taking of the soldiers' vote, practically as though you were conducting an election over there. The results, of course, at the end of the proceeding will be communicated over here to the proper officers, and those results, combined with the results of the election as held under the ordinary provisions in Canada, will determine the result of the election. The reason for this is found, in the first place, in the increased magnitude of the work to be done over there, and in the second place, and perhaps principally, in the difficulties and the unsafety in many respects surrounding transportation between Canada and the Old Country. Under the law as it stood, for example, provision was made for the returning by each officer who took votes upon the other side to the Clerk of the Crown in Chancery in this country of the votes so taken, and the assorting of those votes as between constituencies by the Clerk of the Crown in Chancery over here, and the forwarding of those votes to the returning officers of the different electoral districts to be counted. That might have been quite feasible in dealing with a relatively small number of votes, and if conditions with regard to transportation were such as they were at the time of the passing of the Act. Under present conditions, the carrying out of the Act would be attended with the serious objection that the ballots taken on the other side, before they could be counted at all, would be exposed to the risk of being lost in transit. In view of these considerations, we have provided for the carrying out of the election from the initial proceedings the providing and distribution of ballots and all necessary documents, down to the counting of the votes overseas. This will necessitate the provision of an officer whose tenure of office shall last for the election only, who shall exercise overseas the functions belonging in connection with an election to the Clerk of the Crown in Chancery. It is intended he shall be appointed as an Assistant Clerk of the Crown in Chancery and shall exercise overseas the powers exercised generally speaking by the Clerk of the Crown in Chancery in connection with a general election.

Sir SAM HUGHES. He will have independent powers?

Mr. DOHERTY: For the purposes of the election operations, he shall be the Clerk of the Crown in Chancery over there. This method of dealing with the subject also calls for provision for the counting of the ballots overseas. This is a matter which has had considerable thought. It is certainly very important that there should be provided competent and reliable officers with regard to whose impartiality we should have every guarantee. As meeting those requirements the proposal of the Bill is that there should be appointed a certain number of officers who are designated as "special returning officers," and that each of these special returning officers shall have a clerk assigned to him. After the ballots have been returned respectively to the Commissioner of Canada to France; and the secretary of the High Commissioner in London, and, in this country, to an officer to be known as the general returning officer; these special returning officers with their clerks shall proceed to the sorting of the envelopes and counting of the ballots, and shall furnish statements of the results to the commissioner to France and the secre-

tary to the High Commissioner in London respectively. The latter shall communicate by telegraph the contents of the statements, and subsequently forward by registered mail the statements themselves to the general returning officer, who is to be appointed and act in this country to receive all returns and declare final results.

Sir SAM HUGHES: What am I to understand the Commissioner of Canada in Paris, and the Commissioner of Canada in England, to mean?

Mr. DOHERTY: They are to receive and transmit. It was necessary that we should have some central place in France and in England to which all of those boxes or receptacles could be forwarded for distribution to the special returning officers called upon to do the counting. We called them "ballot boxes" but by definition we make it clear that any suitable receptacle shall answer the requirement of a "ballot box."

Sir SAM HUGHES: Why not send them to the Deputy Clerk of the Crown in Chancery?

Mr. DOHERTY: If my hon. friend will allow me, he will see it is merely to secure a proper location to which all the boxes can be sent. The secretary of the High Commissioner in London—because the High Commissioner himself does not figure in the matter at all—and the commissioner to France, have no function to perform with regard to the counting of the ballots. The provision is that the receptacles or boxes shall be forwarded to them closed and sealed in the best manner that can be found. Their function is limited to fixing a time and place after the expiry of a delay fixed in the Act, when they will hand those boxes over, unopened and still sealed, into the custody of the special returning officers who are to do the counting. When those special returning officers have done the counting, and the assortment also—because that would be an important part of the operation, inasmuch as the ballots will not come already assorted in boxes belonging to particular constituencies; and we have endeavoured to surround the operation of counting and assortment with every precaution that seems reasonably possible—they shall establish the result and communicate it to the commissioner in France and to the secretary of the commissioner in England for transmission to the General Returning Officer in Canada.

Sir SAM HUGHES: The minister said that these would come in special ballot boxes by constituencies. How is it possible to have them by constituencies?

Mr. DOHERTY: The hon. gentleman misunderstood me. I pointed out that one very important operation would be necessary, namely, assortment, because returns could not possibly come by constituencies. The assorting as well as the counting would come within the duty of the special returning officers and their clerks. They would furnish statements of the results to the commissioner in Paris and to the commissioner in London for transmission to Canada. So far as the secretary of the High Commissioner, or the commissioner to Paris is used, he is used simply as affording a convenient method of gathering together at one point the result of the operation and transmitting it over here.

I have referred to an officer to be known as the general returning officer. This is an officer whose services are made necessary by the fact that we shall have going on an election overseas and an election upon this side of the Atlantic. It is necessary that somebody should gather together the results of those two different subdivisions of the election and, adding them together, ascertain and return the general result. For that purpose we provide for the appointment of a general returning officer to whom shall come all of the returns from overseas, from Bermuda, and from the military voting in Canada—because we have to make provision for the taking of the votes of military voters in Canada who may, in large numbers, be absent from their constituencies. This general returning officer shall receive the returns from all these sources, and it will be his duty, adding the returns so received to those of the general voting in Canada to annonce the result and proclaim therefrom the candidate elected in each constituency.

The provisions for the taking of the soldiers' vote obviously make it impossible for a returning officer in a particular constituency to make a return that a man has been elected, because he has before him only the votes of the people voting at home. We provide in the general returning officer an officer who shall receive these results and make return with regard to each constituency, after the information from all these different sources has come in to him.

Mr. MARCIL: What becomes of the Clerk of the Crown in Chancery?

Mr. DOHERTY: The Clerk of the Crown in Chancery performs all his ordinary functions; but it is not part of the duty of the Clerk of the Crown in Chancery to first determine who is elected for a particular constituency. Under the machinery as it exists at present, the returning officer of that constituency makes return that So-and-So is elected. That is now rendered impossible by the fact that the returning officer of that particular constituency has not the necessary information to determine who is returned. The only way that that information could be got to him would be by making the people on the other side in some way transmit all information with regard to each particular constituency to these 230 or 240 officers scattered all over the Dominion, and it would necessitate sending information to those officers for the mere purpose of having them send it back again. It seemed a more reasonable and practical method to provide some one to whom all of the results of these elections held in this way in different sections should be transmitted, and who should establish and announce the final result.

Sir SAM HUGHES: Will it be made legal to transmit it by cable in case the document is lost in transmission?

Mr. DOHERTY: The provision is that as soon as the information is obtained, that is, as soon as the result is ascertained, the High Commissioner and the commissioner in Paris shall transmit the information by cable. Then there is provision that he shall follow that by written communication which is to be registered, and so forth, and the intention is that before officially declaring the result the written communication should be awaited, but in the meantime the information would be here, and if any accident should happen as to subsequent transmission, no doubt it would be available as a method of establishing the fact.

Mr. MARCIL: Do the ballots overseas contain the names of the candidates or only of the political parties?

Mr. DOHERTY: It is not intended that the ballots overseas should contain the names of the candidates; the ballot as provided by the present Soldiers' Voting Act is retained. That is to say, a ballot upon which a man may vote for the Government or for the Opposition or for an independent candidate, if there be any, or may vote for a particular person, so that wherever the elector knows who the candidates in his constituency are he has an opportunity to vote for the particular candidate, and incidentally to that, I may say we have made very full provision for creating a condition wherein, so far as it is possible, opportunity will be afforded to the overseas soldiers to know who the candidates are. There is difficulty, apart from the knowledge of who the candidates are, in the way of providing just such a ballot as is had upon this side; that is, that, if you sought to do that, you would have to have printed upon the other side of the Atlantic, necessarily after the nomination and before the voting, ballots for each particular constituency, containing, of course, different names—ballots such as we have on this side of the Atlantic. By retaining the form of ballot provided for in the Soldiers' Voting Act, we enable preparation to be made upon the other side of the ocean of all ballots that are needed, because all of the ballots to be used, without regard to the constituency, will be in the same form. You get that advantage in preparation. Then you avoid what would be an obvious impossibility, you avoid the necessity of every presiding officer being provided with specific ballots for each constituency in the Dominion.

Mr. A. K. MACLEAN: What is the difficulty about doing that, by making the interval between nomination and election day two or three weeks longer?

Mr. DOHERTY: We propose to prolong the delay between nomination day and voting day, and we have made provision for communicating and disseminating the knowledge as to who the candidates are in each constituency by every possible method, and we do hope that the soldiers as a whole will know who the candidates are. But there is the other difficulty, that if you were to hand to the soldier a ballot for his constituency such as we have over here, then every officer—and, of course, the officer cannot take the votes by constituencies, but is taking the vote of a group of soldiers—every officer taking the vote would have to have with him ballots for each of the 230 constituencies in Canada. While that might be an extreme case, undoubtedly there would be in every group of soldiers men voting as for different constituencies.

It is to be borne in mind that this operation is to be carried on practically in the field and if you load up the people who are going to take the votes with an assortment of ballots for each of the 234 constituencies, you will have to send a man

around loaded with a trunk. I do not see that any conceivable injury results from our having the one form of ballot applicable to every constituency so long as we take every possible means to let the soldier know who the candidates are in his constituency and to permit him to vote for a candidate by name. That, of course, also is a matter of detail with regard to which, if an improved system can be suggested, it certainly will be welcome. But, as a result of the best thought that we have been able to give to the matter, that latter objection seemed to be an insuperable objection to the providing of specific ballots available for each man for the particular constituency in which he is entitled to vote.

Mr. GUTHRIE: How would it be if the ballot papers were left blank so that a soldier might vote for any person for whom he saw fit to vote? I think the classification in the printed ballot may be very unfair to some hon. members now sitting in this House. As I understand, the ballot is printed, "for the Government," or "for the Opposition." I have no doubt that in the coming election there may be a serious question as to where some members of the present House will stand. They may be independent. Those who are considered to be party men, at a time when we are trying to break down party lines, are going to have an advantage. I would, as a suggestion to the minister, say that the ballots ought to be printed with blank spaces and let the soldier himself write in the name of the constituency wherein he votes and strike out, "for the Government," or "for the Opposition."

Mr. DOHERTY: That is in the ballot at present.

Mr. GUTHRIE: There is that provision?

Mr. DOHERTY: Yes, the ballot provides four distinct spaces.

Mr. GUTHRIE: That is too many.

Mr. SPEAKER: Order.

Mr. DOHERTY: A man may vote for the Government, he may vote for the Opposition, he may vote for any independent candidate, and, finally, there is a space which says "I vote for and he can write in the name or names of the member or members that he votes for.

Mr. BRADBURY: It is all on one ballot?

Mr. DOHERTY: Yes. I appreciate the position of the man who wants to vote for an individual candidate and I think it is most desirable that he should have the opportunity. The Bill provides ample means for the man who knows his constituency and knows his candidate and who votes for a particular candidate. All that is done by the other spaces on the ballot is to enable a man to vote who may, for instance, be uncertain as regards his particular constituency, or who under the conditions which exist over there, may not have received the information which we intend to endeavour in every way to have conveyed to him as to who the particular candidates are. It would be a most unfortunate thing if a man in that position should be deprived of any opportunity to vote at all. The form of ballot that we are providing in the Bill has all the advantages of enabling a man to vote for a particular candidate where his knowledge both of the constituency where he is entitled to vote and of the candidate running enables him to do so.

Sir SAM HUGHES: Would the voter not have to write in the name of the constituency himself and vote for, say, John Smith, Montreal?

Mr. DOHERTY: No, he does not require to write in the name of the constituency on the ballot.

Mr. SPEAKER: I think it my duty to point out to hon. members that the motion before the House is for leave to introduce "The Military Voters Act, 1917," and it is not in order to proceed with a minute discussion of the details. On the second reading of the Bill the principle may be debated and in committee details may be discussed. It is neither in order, nor desirable, to go into minute details on the motion to introduce the Bill.

Sir SAM HUGHES: Whether that is the rule or not, I think that under the circumstances, I have a perfect right to ask a question.

Mr. SPEAKER: Order.

Sir SAM HUGHES: I think I have a perfect right to ask a question.

Mr. SPEAKER: Order. There is another rule to which I must direct the hon. gentleman's attention and that is that when the Speaker is addressing the House an hon. member must take his seat.

Mr. DOHERTY: I quite understand the rule and I have no desire to overstep the bounds of the proper proceeding upon the

introduction of a Bill. At the same time, I appreciate that this is a matter that members are very greatly interested in and I, subject to your authority, and with proper respect for the rules of the House, desire to say that if I can give any information I will be glad to do so. I was saying that the ballot, as we proposed, in my judgment, affords the most ample opportunity whatever may be the conditions for enabling the soldier to register his vote. When I was interrupted I was speaking of the general returning officer, and I think I have sufficiently pointed out what his functions are. They largely go into effect at the termination of the election for the purpose of getting the specific returns. With regard to the special returning officers, I think it will be found that the provision of the Bill has been drafted with a view to attaining as perfect impartiality as can be attained on the part of the officers charged with this very important work. In order to make two things possible—namely, first, that we should get the fullest vote of the soldiers that can be got, and, second, that the voting should be done before the termination of the voting on this side, and therefore before the possibility of knowledge being spread on the other side as to the results—it has been thought wise, and the Bill provides therefor, to extend the delay between nomination day and election day. In the Bill that is a period of four weeks. The best information that I have been able to gather rather leads me to the conclusion that that will be a sufficient delay, but that in particular is a matter upon which I shall be glad to receive any information that any hon. member may have with the view of considering whether perhaps it might not be desirable to make that period longer.

Sir SAM HUGHES: Delay after nomination day or after the general election in Canada?

Mr. DOHERTY: No, it is intended that the voting day in Canada shall be four weeks after the nomination day. Voting overseas is to begin on the day after nomination day and is to go on for the full period of four weeks until eight o'clock in the evening of the polling day in this country. Whereas the voter over here has one day in which he must poll his vote, the soldier has twenty-nine days. At any time during that period he may avail himself of the opportunity to register his vote. Provision is made for the most widespread possible establishment of polls; that is places where the soldiers may register their votes. It is in contemplation that these should be established at every place where there is a gathering of soldiers. In the Bill we speak of "every camp" with reference to polling places, but we have put in a definition clause to make the word "camp" cover every place, be it hospital or rest station, or whatever may be the nature of the place where there is a group of soldiers.

We have made a further provision, that where circumstances are such as to give rise to the belief that if a soldier is not allowed to vote immediately when and where he is he may be exposed to lose his vote—if conditions are such as to make it possible for the presiding officer to take his vote—that officer shall be empowered, even though he is not actually holding a poll to take the vote of that soldier. The desire is to do anything that can be done to assure to the soldier the exercise of his privilege, and to assure to Canada the advantage of having the expression of opinion of that soldier, the only limit being such as may be necessary to surround the voting with the greatest possible precautions against any irregularity or fraud, or anything of that sort, under the conditions as existing upon the other side. The military voter in Canada, save that he has to use the ballot as provided for the overseas soldiers, is, in the marking of his ballot, to conform to the requirements looking to secrecy, which are provided for the ordinary taking of votes over here. There are detailed provisions as to the manner of taking the vote. I do not think they are materially different—though in some respects I hope they are improved—from the provisions of the existing law.

Mr. LEMIEUX: I suppose the votes can be gathered in the hospitals?

Mr. DOHERTY: Oh, yes. We intend to send to every place where we can conceive that soldiers will be found a deputy presiding officer to take the vote.

Mr. MARCIL: Is the provision in the old Act, requiring the appointment of a number of commissioners by the leader of the Government and the leader of the Opposition, to provide the taking of the ballot overseas, to be retained?

Mr. DOHERTY: For the appointment of scrutineers?

Mr. MARCIL: Yes.

Mr. DOHERTY: Yes, that is preserved, and there are further provisions with regard

to the officers appointed, to assure us that they will be representatives of one party as much as another.

Mr. LEMIEUX: I understand this is an entirely new Bill. It is not an amending Bill?

Mr. DOHERTY: No, it is a new Bill. The material changes in conditions seem to make necessary the remodelling rather than the amending of the law. There are provisions, the details of which I do not think it necessary to go into, as to the methods of counting the ballots and the reporting the results to us on this side of the ocean. The purpose behind these provisions has been to secure every care and precaution, looking to a fair count, and looking to the preservation of the secrecy of the ballot.

There are provisions also in regard to the re-count of the ballot. The same reason that makes it desirable that the ballot should not be sent over here before being counted at all, seems to make it desirable that, in case there should be need for a re-count of the ballots taken on the other side, the operation should be carried on over there. The suggestion is that it should be done by a judge or other person who may be designated by the Lord Chief Justice of England, if he will consent to do it. We want to place that matter in the hands of somebody who is quite beyond the suggestion that he in any way is influenced by cis-Atlantic considerations; and there are details as to procedure upon that subject, with which I need not worry the House at the present time. This Bill replaces the present Military Voters' Act, and repeals that Act. I may say further that this Bill, though it is intituled the Military Voters' Act, 1917, proceeds by adding its provisions to, and making them part 4 of the Dominion Elections Act. This was found convenient because, of course, save with regard to these exceptional dispositions, it is desirable that very many provisions of the Dominion Elections Act should apply wherever they are susceptible of application to the operations to be carried on under this Act. We think we have attained that result in a very effective, and at the same time most abbreviated manner by constituting the provisions of this Act part 4 of the Dominion Elections Act.

Mr. A. K. MACLEAN: I suggest to the Government that this Bill might be referred to a special committee after the second reading. The Prime Minister might consider that suggestion.

[Mr. Doherty.]

Sir SAM HUGHES: Do I understand the Prime Minister to assent to the proposal that the Bill introduced by the Minister of Justice shall be referred to a special committee?

Sir ROBERT BORDEN: I said that I would take that into consideration.

Motion agreed to, and Bill read the first time.

CONTROL OF WHEAT CROP OF UNITED STATES.

On the Orders of the Day:

Mr. A. B. McCOIG (West Kent): I desire to call the attention of the Government to a despatch from Washington dated August 12, which reads as follows:

> U.S. Wheat Crop to Be Controlled—Elevators and Mills Will Be Licensed—Keep Eye on Exchanges and Middlemen.
>
> Washington, Aug. 12.—The food administration announced to-night its plan for controlling wheat, flour and bread, revealing that the Government is prepared to take over the whole 1917 wheat harvest if necessary to conserve the supply, fighting forces and their allies, and reduce costs to the general public in the United States.
>
> Establishing of buying agencies at all the principal terminals, licensing of elevators and mills, fixing of a price to be considered fair, regulation of the middlemen, and of grain exchanges, with the elimination of trading in futures, are the chief features of the plan. The licensing will begin September 1.
>
> The minimum price of $2 for wheat fixed by Congress does not become effective until next year, but the administration proposes to exercise a very thorough control over this year's crop through powers conferred under the food and export control bills.

I ask the Government, in view of the fact that the wheat threshing throughout the province of Ontario is in progress at the present time, and the farmers and consumers, as well as the milling companies, are anxious to know if the Government purpose taking some similar action before the wheat crop is disposed of.

Sir GEORGE FOSTER (Minister of Trade and Commerce): The extract from the paper which my hon. friend has read may be founded upon facts, or it may not. The legislation which has been held up so long in Congress has at last passed; the Bill has received the signature of the President, and is now in force; that is, power is given for the work of the Food Controller, who had been formerly appointed, and who now enters upon his labours. The grain supervisors who were appointed some ten days ago, and who have, in Canada, powers given them by the appointing Order in Council to

fix the price of wheat, have already acted, in so far as fixing the maximum price of wheat for last year's crop is concerned. They have deferred action with reference to this year's crop until the United States authorities have had their powers defined. It is the intention of both countries and of these two bodies in each country to co-operate and work along parallel lines. No decision, however, has been come to as yet with reference to what will eventually be done.

ENFORCEMENT OF CONSCRIPTION.

On the Orders of the Day:

Mr. MARCIL: May I ask the Minister of Militia whether he is correctly reported in to-day's issues of Montreal and Ottawa papers as having said yesterday at Camp Borden:

We are going to put the Conscription Bill into force right away.

Sir EDWARD KEMP: Yes, that is correct.

PRIVATE BILL.

SECOND READING.

Second reading of Bill No. 126, for the relief of Albert Edwin Gordon.—Mr. Edwards.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

G. O. AIKEN.

Mr. GRAHAM:

1. Is G. O. Aiken in the employ of the Government in Kingston?
2. If so, what are his duties and his salary?
3. When was he retired from the position of guard, and why?
4. What was the date of his new appointment?
5. Who previously performed the duties of the position to which Mr. Aiken has now been appointed?
6. Why was not a returned soldier given this position?

Sir ROBERT BORDEN: We will have an answer to this question on Wednesday.

ENLISTMENT OF ENEMY ALIENS.

Mr. MACNUTT:

Does the Government include the immediate descendants of naturalized persons of alien enemy birth who were born in Canada, in the policy of non-enlistment for combatant service, outlined by the Prime Minister of Wednesday, July 25, in reply to my question of Saturday, 21st of July, regarding enlistment of persons of foreign birth?

Sir ROBERT BORDEN: The persons designated were not included in the answer which I gave on a previous occasion. As a matter of fact, I understand that the descendants of naturalized persons of alien enemy birth have in some instances been accepted for military service under the voluntary system. So far as compulsory service is concerned, the circumstances of each case would, of course, have to be taken into consideration. I am speaking altogether of combatant service. For service other than combatant service, no question would arise.

PARLIAMENT BUILDINGS FIRE—INDEMNITIES FOR LOSSES.

Mr. BOULAY:

1. Does the Government intend to indemnify those persons who have suffered loss by the fire at the Parliament Buildings?
2. If so, will it be done during the present session?

Mr. DOHERTY:

1. No claim for which legal liability exists has been presented. Certain claims with regard to which action might be justified on equitable or compassionate grounds are receiving the consideration of a special committee.

2. It is expected decision will be reached during the present session.

THE FOOD CONTROLLER'S STAFF.

Mr. LANCTOT:

1. Is there any regulation passed by the Government whereby the latter undertakes not to appoint any one in its service, who is of military age?
2. If so, why was W. A. Willison appointed on the staff of the Food Controller?
3. Is he of military age and has he offered to enlist?
4. If so, has he obtained a badge from the National Service Board, and on what grounds?
5. What is his salary, and what was his occupation and salary before he was appointed to the public service?
6. Is he the son of Sir John Willison, ex-editor of the Toronto News?

Mr. HUGH CLARK:

1. Yes, unless a badge has been issued him under Order in Council August 16, 1916.

2. Appointed because of his special qualifications, but being appointed to a temporary commission, he is not a member of the Civil Service.

3. Yes, married, two children; only brother killed in action. Was in Great Britain as accredited war correspondent from September 15, 1914, to November 29, 1916, in which capacity he visited the Canadian front lines repeatedly, the British front on the Somme, the French front at

the invitation of the French Government, the British grand fleet and battle cruiser squadron. He was accepted as part of the military establishment and entitled to wear uniform while in the war zone.

4. No, and is prepared to do whatever further is required of him when his class is called.

5. See answers to questions asked by Mr. Kay and Mr. Ross. Previous salary upwards of $4,000.

6. Yes.

Mr. LANCTOT:

1. Has an assistant food controller been appointed?
2. If so, what is his name, place of residence and previous occupation?
3. What is his salary?
4. What was his previous salary?
5. What are his special qualifications which induced the Government to appoint him?

Mr. HUGH CLARK:

1. No.

2, 3, 4 and 5. Answered by No. 1.

Mr. LANCTOT:

1. Is one Mr. Todd on the staff of the Food Controller?
2. If so, what is his salary, and what was his previous occupation and salary?
3. Is he of military age?
4. If so, did he offer to enlist?
5. If not, has he obtained a badge from the National Service Board, and on what ground were the regulations, if any, forbidding the employment by the Government of men of military age ignored?

Mr. HUGH CLARK:

1. Yes.

2. Present salary and previous occupation: See answers to questions asked by Mr. Kay and Mr. Ross. Previous salary, $2,900 per annum and travelling expenses.

3. Forty years of age and has nine immediate dependents.

4. In answer to a questionnaire sent by the Ontario Government to all employees, he stated his willingness to enlist at any time that it appeared desirable that he should do so, in his circumstances.

5. He has not obtained badge. As soon as his class is required for such service he is prepared to do whatever is desired of him. He was appointed because of his special qualifications, but being appointed to a temporary commission he is not a member of the Civil Service.

Mr. LANCTOT:

1. Is one Mr. French, or Trench, on the staff of the Food Controller?
2. If so, what is his salary?
3. What was his previous salary and occupation?

[Mr. H. Clark.]

4. Is he of military age, and did he offer to enlist?
5. If not, has he obtained a badge from the National Service Board, and on what grounds were the regulations, if any, forbidding the employment by the Government of men of military age ignored?

Mr. HUGH CLARK:

1. Yes.

2. See answers to questions asked by Mr. Kay and Mr. Ross.

3. See answers to questions asked by Mr. Kay and Mr. Ross.

4. Yes, married. While engaged in recruiting work he was examined by the doctor appointed to examine recruits and declared to be physically unfit owing to severe attacks of rheumatism.

5. No. He is temporarily employed by the month to do special work for which his training particularly fitted him. He was appointed because of his special qualifications but being appointed to a temporary commission he is not a member of the Civil Service.

THE FOOD CONTROLLER'S OFFICES.

Mr. LANCTOT:

1. How much floor space has been allowed to the Food Controller for his offices in Ottawa?
2. What is the cost of the rent of it?
3. What is the cost of alterations or repairs to the rooms?
4. What is the cost of the furniture bought for these offices, and what is the price paid for the carpets?

Mr. HUGH CLARK:

1. Rooms, 4,422 square feet. The offices provide for staff, stenographers, etc., Government employees transferred from other departments to take up special work for the food controller and for the many persons from different parts of Can-
4 p.m. ada doing voluntary work, such as chairman and members of committees dealing with special problems, and committee rooms for the Central Advisory Council and special committees.

2. Twenty-five hundred dollars per annum, lessor to pay all taxes, provide heating and elevator service; lessor also to clean and tint offices and make necessary repairs to floors, etc.

3. Alterations or repairs consist of the erection of one partition and the building of a cabinet around the telephone switchboard. This work is being done by the Department of Public Works and is not yet completed.

4. Furniture and carpets supplied by the Department of Public Works, a large portion being loaned from the Public Works store room.

THE POSTMASTER GENERAL.

Mr. LANCTOT:

1. Is the Postmaster General still doing some recruiting in Montreal?
2. What is the amount of his travelling and living expenses since he started his work of recruiting?
3. What is the amount of the travelling and living expenses of his private secretary for the same period?
4. Has he also a military secretary?
5. Is it the intention of the Postmaster General to relinquish both his portfolio and salary when he goes overseas with his recruits?
6. When does he expect to go?
7. Is he furnished with an automobile, and by what department?
8. If so, what has been the cost to the country of the chauffeur and fuel since he has been using it?

Sir ROBERT BORDEN:

1. Yes.
2. None.
3. None.
4. No.

5 and 6. Any necessary announcement will be made in due course.

7. No.
8. None.

MEDICAL OFFICERS IN MILITIA.

*Mr. PROULX:

1. How many medical men are employed by the Government or the Militia Department in and about Ottawa?
2. What are their names, duties and salaries?
3. Up to the present time, what amount has been paid to each?

Sir EDWARD KEMP: The answers to the above questions, so far as the Department of Militia and Defence is concerned, are as follows:

1. 13, exclusive of headquarters staff.

2 and 3.

Rank, Name and Duties.	Salary Per Anum.	Amount Paid to Date.
Lt.-Col. J. F. Argue, Pres. Standing Medical Board, officer in Fleming Home	$2,372.00	$4,677.15
Lt.-Col. J. L. Chabot, officer in charge Water Street Hospital	2,372.00	3,544.00
Lt.-Col. G. S. McCarthy, officer in charge St. Luke's Hospital	2,646.00	3,726.00
Major R. Law, officer commanding No. 2 Field Ambulance, and medical officer, Water Street Hospital	2,007.00	3,304.00
Major F. W. McKinnon, medical officer, St. Luke's Hospital	2,007.00	3,272.00
Major T. H. Leggatt, medical officer, Protestant General Hospital	2,007.00	1,704.00
Capt. R. E. Valin, medical officer, Water Street Hospital	1,642.00	1,134.00
Capt. J. H. Laidlaw, Medical Boards, base recruiting office	1,642.00	1,375.50
Capt. H. McLeod, Medical Boards, base recruiting office	1,916.00	1,433.25
Capt. A. P. Davies, Medical Boards, base recruiting office	1,642.00	153.00
Lt.-Col. J. W. Shillington, medical officer, Signaling Training Depot		3,790.00
Lieut. G. Morin, ear specialist	1,095.00	450.00
Capt. A. F. McLaren, eye specialist	1,096.00	1,095.00

CANADIANS OF ALIEN BIRTH.

Mr. BURNHAM:

1. Will the Government say if the Allies will permit any Canadian of alien birth to take part in overseas military operations?
2. If not, does the Canadian Government propose to conscript such aliens?
3. Does the Government propose to take any measures looking to the prevention of said electors of alien birth from voting for the conscription or otherwise of Canadian citizens not of alien birth?
4. If so, will the Government call the attention of those of alien birth to the manifest unfairness of their voting for or against conscription?

Sir ROBERT BORDEN:

1 and 2. The policy of the Government hitherto pursued has already been announced.

3 and 4. Any necessary announcement will be made in due course.

MAJOR MOXOM.

Mr. A. K. MACLEAN:

1. Is Major Moxom, of the 106th Battalion, on leave of absence in Canada?
2. If so, when was the leave granted, and is the same still in force?
3. Is Major Moxom under pay? If so, at what rate?
4. Upon what ground was the leave of absence granted?
5. Is he to be continued further in the service?
6. Is his wife receiving separation allowance?

Sir EDWARD KEMP:

1. No.
2. Answered by No. 1.
3. Yes. Under the provisions of Orders in Council dated April 18, 1917, P.C. 1091, and May 18, 1917, P.C. 1362, he is entitled to receive, for a period of three months from the date of his being struck off the strength of the C.E.F., the pay of his rank, field pay and separation allowance.
4. Answered by No. 1.
5. Struck off strength of C.E.F., 8th June, 1917.
6. Answered by No. 3.

INTERCOLONIAL RAILWAY—WORK AT BOISDALE.

Mr. McKENZIE:

1. Who was the contractor for the building of the I.C.R. at Boisdale, Cape Breton County, in 1916?

2. What was the amount of the contract?
3. Who were the other parties from whom tenders were received, and what was the amount of each tender?

Mr. COCHRANE:

1. Rhodes, Curry & Company, Limited.
2. $5,171.
3. Messrs. Hector, James & John McNeil, Sydney Mines, N.S., $6,400; Messrs. A. L. Murry & Thos. D. Morrison, Trenton, N.S., $7,885.

After the date had expired for receiving tenders and those duly received had been passed upon, two others came in, too late to be dealt with, as the abstract and tenders, which were received within the date called for, had already been sent to the general manager at Moncton.

DR. B. A. LEBLANC.

Mr. KYTE:

1. What is the amount of pay and allowance and monthly separation allowance paid to Dr. B. A. Leblanc, Arichat, Richmond County, Nova Scotia, since his appointment with the Army Medical Service Corps?
2. What is his rank, and date of appointment?

Sir EDWARD KEMP:

1. Pay and allowances, $624.50 No separation allowance paid.
2. This officer was appointed a lieutenant (supernumerary) in the Army Medical corps on 28th February, 1917, and a captain in the Canadian Expeditionary Force on the 30th June, 1917.

MAJOR BARTLETT.

*Mr. J. J. HUGHES:

1. What rank does Major Bartlett, of Charlottetown, P.E.I., hold in the Militia Department?
2. What pay or remuneration does an officer of his rank receive?

Sir EDWARD KEMP:

1. Major A. A. Bartlett holds the rank of major on the Corps Reserve of the Prince Edward Island Heavy Brigade, Charlottetown, P.E.I.
2. $4 a day.

NAVAL SERVICE AND MASTER MARINERS.

Mr. MACDONALD:

1. How many master mariners are in the pay of the Naval Service Department in the city of Halifax who are not actually in command of vessels?
2. Where are they maintained?
3. How much is paid each of them per month?
4. How much has been paid to August 1st, on this account?
5. What is paid for the use of the Acadian Hotel in this connection?

[Mr. McKenzie.]

Mr. HAZEN:

1 and 2. 47 skippers, having sea-going or coasting certificates and 35 mates with master's or mate's sea-going certificates, are under training at Halifax in H.M.C.S. Niobe.

3. Skippers, $3.50 per diem; mates, $2.50 per diem.

4. The pay and expenses of skippers and mates in training is not kept as a special account.

5. The Acadian Hotel is rented at $300 per month, for housing surplus officers from H.M.C.S. Niobe.

$100,000,000 LOAN.

Mr. MACDONALD:

1. What are the net proceeds of the loan for $100,000,000 for two years which has lately been arranged in New York?
2. What is the rate of interest the purchasers of the same will receive?
3. How much has been paid for commissions and other charges?

Sir THOMAS WHITE:

1. $96,250,000.
2. 6.077 per cent.
3. About 1¾ per cent.

CAPT. KENNETH C. MACPHERSON.

Mr. PROULX:

Referring to the answers of the Honourable the Minister of Militia, in Unrevised Hansard of Thursday, August 9, 1917, relative to the employment of Captain Kenneth C. Macpherson.

1. What amount has been paid Captain Macpherson to date?
2. In what capacity or rank did he go overseas?
3. What active service did he perform in France or Flanders?
4. Was Captain Macpherson wounded? If so, when, and in what action?
5. How long did Captain Macpherson remain overseas, and what was the reason for his return?

Sir EDWARD KEMP:

1. $5,458.75 from 1st December, 1914, to 31st July, 1917.
2. Paymaster, 2nd Divisional Engineers.
3. Paymaster, 2nd Divisional Engineers.
4. No.
5. Eleven months: Recalled for duty at Militia Headquarters, Ottawa, 10th February, 1916.

CHARLES PERCY PLAXTON.

Mr. LANCTOT:

1. What position does Mr. Chas. Percy Plaxton, mentioned in the circular of the Minister of Justice to the Members of the House of Commons, dated August 10, 1917, occupy?
2. What salary does he receive, and how long has he occupied this position?

3. Where was he born, and in what year?
4. What was his occupation before entering the service of the Department of Justice?
5. What military experience has he had, if any, and in what country?
6. Is he an expert in matters of conscription?
7. Upon whose recommendation was he appointed to this position?
8. Has he volunteered for service overseas?

Mr. DOHERTY:

1. Legal officer in Department of Justice.
2. $2,100. Since November 16, 1915.
3. At Barrie, Ont., in 1889.
4. Practised law at Toronto.
5. None.
6. No. Mr. Paxton has simply been detailed to receive information for the use of the department, to enable it to meet local conditions and convenience.
7. This is not a new position at all. He was originally appointed to the department on the recommendation of the minister.
8. Yes.

NATIONAL TRUST COMPANY.

Mr. LANCTOT:

1. Is the Hon. Sir W. T. White still secretary of the National Trust Company, Limited, and still a director of said Trust Company?
2. Is Sir Joseph W. Flavelle still president and director of said Trust?
3. Is Z. A. Lash, of Toronto, chief counsel of the Canadian Northern and of the Canadian Bank of Commerce, still vice-president and director of the National Trust Company, Limited?
4. Is Sir A. E. Kemp, Minister of Militia, still a director of the National Trust Company, Limited?
5. Is Sir William Mackenzie, President of the Canadian Northern Railway, still a director of the National Trust Company?
6. Were the above named gentlemen occupying said positions referred to, in 1914, and until what date?
7. Was there an agreement entered into between the National Trust Company, Limited, the Government of Canada, and the Canadian Northern Railway for the marketing of the bonds guaranteed by the Canadian Government for $45,000,000 in 1914?
8. Has the said National Trust Company disposed of all the bonds they subscribed to?
9. If not, what is the amount of same left on their hands?

Sir THOMAS WHITE:

1. Sir Thomas White severed his connection with the company in 1911 and resigned from the board of directors.
2. Yes.
3. Yes.
4. Yes.
5. No.
6. Sir Joseph Flavelle, Mr. Z. A. Lash and Sir Edward Kemp occupied the positions mentioned in 1914.
7. No. The trust deed of 1914, securing the issue of Canadian Northern Railway Company securities mentioned, appointed the trust company as one of the trustees for the bondholders. The trustees have nothing to do with the marketing of the securities which were held to be sold by the Canadian Northern Railway Company subject to the approval of the Minister of Finance or the Governor in Council as to price, terms and time or times of issue.

8 and 9. No information as to any such subscription by the trust company.

QUESTIONS PASSED AS ORDERS FOR RETURNS.

Mr. SEGUIN:

1. What is the number of Commissions appointed by the present Government since it came into power?
2. What is the purpose for which each of these commissions have been appointed?
3. What are the names of the commissioners and other officers employed by each commission?
4. What salary has been given to each of these commissioners and officers?
5. How long have each of these commissions been employed for the special objects for which they have been appointed?

Mr. MACDONALD:

1. What are the different amounts paid for commissions and expenses in connection with the flotation of the different loans made by Canada since 1914?
2. What are the respective amounts paid in connection with each loan?

GOVERNMENT RAILWAYS ACT AMENDMENT.

THIRD READING.

On motion of Hon. Frank Cochrane (Minister of Railways), Bill No. 118, to amend the Government Railways Act, was read the third time and passed.

LIVE STOCK EXCHANGE.

On the motion of Hon. Mr. Burrell (Minister of Agriculture), Bill No. 123, respecting live stock, was read the second time, and was referred to the Committee on Agriculture.

MINISTER OF OVERSEAS MILITARY FORCES AND PARLIAMENTARY SECRETARIES.

BILL REPORTED.

Right Hon. Sir ROBERT BORDEN (Prime Minister) moved the second reading of Bill No. 122, respecting the Minister of the Overseas Military Forces, the Parliamentary Secretary of the Department of Militia and Defence, and the Parliamentary Under-Secretary of State for External Affairs.

Mr. E. M. MACDONALD (Pictou): Mr. Speaker, I did not have an opportunity of

being in the House when this Bill was introduced last week, and I desire to say that the matters involved in this measure are very far-reaching in their character. The proposition that the military control of our forces overseas should be under the direction, not of a military officer but of a civil officer, who would be an overseas Minister of Militia, does not seem to me to be the proper method of dealing with the problem. If we look at the conditions that exist in the other overseas dominions with reference to the control of the men who have gone across the ocean, we find that the direction of their forces is administered by military officers. In Australia, which has sent a great number of men across the ocean, the General Officer Commanding the forces there before the war is the man who is in control of everything in connection with their disposition and management there in conjunction with the High Commissioner of Australia, who, I assume, looks after civil matters. The House and the country are aware of the fact that during the last year complaints of the most serious character have been made as to the methods of administration of the troops across the ocean. Every hon. gentleman who has been in touch with men who have returned from the other side know that complaints have been made by our men with reference to the way in which Sir George Perley, who is minister overseas, deals with these questions. Sir George Perley may be a very clever man, but the problem of dealing with men who are going to fight is of such a character that I do not care how clever a man may be whose training has been wholly in business and civil life, he cannot possibly, if he is the "last word" and final director of matters, be as good a person to deal with these questions as a man of military experience would be. Yet it has been found necessary by the Government to urge upon the House and the country that Sir George Perley, who knows nothing about military matters, and who, I presume, does not pretend to know anything about military matters, should be the man to direct all such matters overseas.

In connection with the direction of this war we in Canada are in a very peculiar position. I have frequently referred in this House to the fact that since the war began we have not had any General Officer Commanding who has had any distinctive position or military record, or who has been in such a position that the country and those interested in the boys who have gone overseas can feel that, so far as all our military dispositions are concerned, we have had that proper control which will give the best results. We all know of the several men who have been sent over by Great Britain, by arrangement with this Government and the previous Government, to fulfil the position of General Officer Commanding in Canada. We had General Mackenzie, who returned shortly before the war; we had General Lake, we had Lord Dundonald and various other men who had military training and experience in Great Britain, and who occupied this office and who were known throughout the country by every one connected with military matters as having special knowledge and fitness for the position. But in Canada to-day the man who is in charge of the whole military forces of the country is General Gwatkin, who was not a general at all until after the war began. We have in the person of our hon. friend the present Minister of Militia (Sir Edward Kenp), a gentleman who, according to the rule of the statute, deals with the civil side—if the expression may be properly used—of the administration of military matters. But General Gwatkin, who was a Colonel employed simply in a subordinate position in the Militia Department when the war broke out, has, so far as any one in Canada who knows anything about military matters is concerned, not exercised any direction with reference to the mobilization of our forces, nor in regard to other military matters, nor has he appeared in any of the camps throughout the Dominion to deal with or control operations. He seems to have taken it for granted that what we can do in Canada is simply to take our boys with all their cleverness, ability and brightness, and with all the bravery that they have shown on the battlefield, and to assume that the science of war is a science that any one can master, and that there is no necessity for having their direction and control properly secured. In South Africa General Smuts and General Botha were men who had had experience in war, and whose judgment and direction controlled the forces of that country. In Canada we have never pretended in any way, so far as military control is concerned, to have any one in charge of the military forces of this country, except General Gwatkin.

Mr. R. B. BENNETT. He was Chief of the General Staff.

Mr. MACDONALD: Under whom?

Sir EDWARD KEMP: Under the Minister of Militia.

Mr. MACDONALD: Before the war General Mackenzie was the General Officer Commanding until General Gwatkin was subsequently appointed. General Mackenzie retired and went to England. Up to that time General Gwatkin was employed in a certain position in the Militia Department—I think in regard to artillery or something of that kind.

Sir SAM HUGHES: General Gwatkin came out here some years ago as an officer under General Lake. When General Mackenzie retired, I was Minister of Militia, and the British Government objected to recommending General Gwatkin as being fit for the position as Chief of the General Staff, to which position I purposed appointing him. They stated that he was not competent for the position.

Mr. MACDONALD: They objected to it?

Sir SAM HUGHES: They objected to it. They stated he was not competent for the position. I informed them that was the reason I wanted him, and that I did not want any fellow there with their ideas; I wanted some man who did what he was told, and who did not profess to have those fancy notions of his own. I found I made a mistake. I was right in the fact that he did not know much, but I was wrong in thinking that he would not interfere.

Mr. MACDONALD: I am very much obliged to my hon. friend for the information. The result is, we have now in charge of the military forces in Canada a man who, the British Government intimated, was not competent for the war office, and we find that the hon. the ex-Minister of Militia who, notwithstanding the position taken by the British Government thought he was competent, now admits his mistake. I dc not think my hon. friend the present Minister of Militia will claim he is possessed of any special military knowledge. Under the statute his duties relate to the civil side of the department. Why is it, if for over three years every other dominion has had men who knew their business, men of military training, actually directing their military affairs, this has not been the case in Canada? Our boys are directed and controlled by a man to whom the British Government objected as not being competent. They go overseas, and who is the general commanding them there? Who is the man in control of the military institutions of Canada on the other side?

Mr. R. B. BENNETT: General Turner.

Mr. MACDONALD: No, not General Turner. The man in charge of everything military there is Sir George Perley. I understand that General Turner is under Sir George Perley. By this measure, it is proposed to create a Minister of Militia Overseas, who shall have directions of all matters with reference to our troops, and our boys there shall be under his dictum and direction.

Mr. R. B. BENNETT: Is not the hon. gentleman aware that under a former Minister of Militia and Defence, General Dundonald was removed from his position because he undertook to deal with matters which it was said should be dealt with only by the Prime Minister and the Minister of Militia and Defence, and is not the hon. member aware that that policy has been followed since?

Mr. MACDONALD: My hon. friend is speaking of the piping times of peace. We should have the direction and assistance of the best military aides we could get anywhere.

Mr. R. B. BENNETT: And we have it in General Turner, overseas.

Mr. MACDONALD: But, I am speaking of Canada. and my hon. friend was speaking of Canada. We have heard the admission of the ex-Minister of Militia that the man in charge is a man who, the British Government said, was incompetent. My hon. friend (Mr. R. B. Bennett) interrupts and says that General Turner was in charge overseas. The man whom it is proposed to put in charge under this Bill is Sir George Perley, who has, as a matter of fact, been in charge ever since General Carson retired. Under this Bill it is proposed to provide that so far as overseas affairs are concerned we are to have a separate department of the Government over there, and Sir George Perley is to be in control. I venture to say that with the admitted conditions we have in Canada, the military aid we can give to the Allies in this cause is not aid which will be enhanced by the direction of Sir George Perley and the coterie he has around him. I noticed in Hansard the other day a statement made by the ex-Minister of Militia in regard to the tremendous number of people gathered in and around London in connection with the administration of the office.

Mr. GRAHAM: Twelve hundred he said.

Mr. MACDONALD: Every one who has been interested in the boys over there, or who has had friends over there, or who has spoken to the men who have returned, knows that continuous complaints have been made in regard to the way in which matters have been administered under Sir George Perley. So far as concerns the direction and arrangement of our gallant sons is concerned, it is time Canada should have the best military control to be found anywhere. The country expects it, and will be disappointed if it is not given. Owing to the fact that the war is on, and means of communication are necessarily uncertain, and because of parliamentary rules with reference to what may be made public, we have not all the information we might have, but, so far as we know our condition will not be enhanced, and the interests of the boys in the fighting line will not be improved, if the administration is left in the hands of Sir George Perley. I object to the principle of the Bill and to the proposition that military control of our forces overseas should be perpetuated in the hands of Sir George Perley.

With reference to the appointment of under-secretaries, I noticed the other day an hon. gentleman on the other side took the position that when men are appointed to public places in this democratic country, it is not a justification of the appointment to say they are doing the work for nothing. If that were to be the rule, only men of wealth could render public service hereafter. If we are to be told that the man who is going to take the position will render the service for nothing, then we have reached a point where the poor man is to be proscribed. If the man of ability, energy and capacity who can render service is not to be employed, because, forsooth, there is another man prepared to perform the service for nothing, we have a condition of affairs which should not exist. I submit, this whole legislation is not in the interests of the country. I submit, if the Minister of Militia had a proper military head working in conjunction with him, he would not need any military under-secretary, and if the military organization of the country had been arranged properly, or is arranged properly now—and it is not too late to rearrange it—there would be no need for a military secretary. And it would be no justification for his appointment, to say that he was not going to accept any pay. The seriousness of the situation demands that we should have the very best brains and ability at the service of the country, and the fact alone that a man is willing to perform the service for nothing is no justification for his appointment, yet that is all that is put forward in support of this change. If Canada only knew the absolute impossibility of well-directed efforts along proper lines under the conditions we have to-day, so far as our military organization is concerned, she would rouse herself to see to it that a change is made. At this moment, with all the seriousness of the war before us, and facing the tremendous possibilities of death and carnage every day, we are in the position that we have as our military head a man whom the British Government declared to be incompetent, and we are putting in permanent charge of our military organization a man who knows nothing about military affairs.

Mr. LEMIEUX: Mr. Speaker, I would like to be permitted to renew the objection I made the other day, not so much to the creation of the office—I understand the course has been decided upon by my right hon. friend the Prime Minister—but to the acceptance of offices of emolument by the new overseas minister and the under-secretaries without going before their electors. I believe, notwithstanding the precedent cited by the right hon. gentleman the other day, that it does not exactly fit the situation in Canada. I think my right hon. friend should revise his opinion and that, if he decides to create these offices, the gentlemen who are going to be appointed, one the overseas minister, and the others under-secretaries, should follow the time-honoured practice and return to their electors for their endorsation. It is a leap in the dark; too great, too serious, a departure from the spirit of the British constitution and of British institutions for us to make. I do not see how it could prejudice the hon. gentlemen who are to be the appointees of the Government to take the course I propose. It is admitted that Parliament will soon be at an end by the effluxion of time; that dissolution is not far off, and therefore the hon. gentlemen who have served as under-secretaries and as the overseas minister could well afford to continue to serve without accepting emoluments until the election takes place. I quite understand it would be rather useless to hold a by-election at this time for these gentlemen, but the Government should not do away in such a light manner with the principle, so old and so wise, that any one receiving

emoluments should seek re-election from his constituents. I do not know how any one would be injured if my suggestion were accepted.

We have had the statement from my right hon. friend that Sir George Perley is serving his country and accepting nothing for his services. We have it from my hon. friend from Queens and Shelburne (Mr. McCurdy) that he will not accept any emolument. Under these circumstances it seems to me that no harm would be done if the offices are created, but if the principle of re-election in the case of the acceptance of emoluments is adhered to. I share the view expressed the other day by my hon. friend the ex-Minister of Militia (Sir Sam Hughes), and by my hon. friend from Frontenac (Mr. Edwards), that no one should be appointed to such responsible positions as those referred to in the present Bill without accepting the emoluments attached to the position. As it has been stated since, it is not right that public offices should be given to the millionaire class only. A man who accepts a position under the Crown on these conditions is likely to regard himself as his own master, whilst the spirit of British institutions is that a public officer, a minister of the Crown, is not his own master but is the servant of the people and of the Crown. I most strenuously object to the appointment of millionaires who will refuse to accept the emoluments, not because I do not admire their magnanimity, but because it is against the best interests of the country that positions or offices should be given to the wealthy only—who sometimes may not be the best choice—and should not be given to the men of ordinary means who may have the desire and ambition to serve King and country.

These are my objections to this proposal. I am not at all criticising the measure with reference to personalities. The gentlemen who are being selected under the new Bill as overseas minister and as under secretaries are personal friends of mine. Although I do not believe that Sir George Perley was the best choice of the Government yet, personally, as he is a friend of mine, I am very glad to see him where he is. But we should not, because of personal friendship, depart from the principle of the British constitution, namely, that any one receiving emolument under the Crown, as a minister or under secretary, should meet his electors.

In the case of Sir George Perley, it is remarkable that he was elected in 1911 and was selected by my right hon. friend to be minister without portfolio representing the Protestant minority in the province of Quebec. Immediately afterwards, upon the death of Lord Strathcona he went to England and assumed there the office of High Commissioner for Canada. Meanwhile he came back to Canada and on different occasions replaced the right hon. Prime Minister (Sir Robert Borden) temporarily

We hardly see him in the House, and certainly his electors do not see him. Since that time he returned to England, where he discharged the duties of High Commissioner, and he has now been made Overseas Minister of Militia and Defence, and the country has seen absolutely nothing of him. Somebody must speak for his electors in this matter. I have had occasion to meet the electors of the county of Argenteuil within the last few months. An opponent has been selected in the person of Mr. McGibbon, a farmer of Argenteuil. The term of Parliament has expired, and we have given an extension of one year. Surely it is not during that year of extension that we shall give Sir George Perley an appointment with emoluments, and at the same time allow him to receive such emoluments without going before his electors. I say in all sincerity and in all earnestness that this is going too far and that the people of the country will resent that treatment. I do not see why, because we are at war, Sir George Perley should not come back to Canada and face his electors. What objection is there to that procedure? Further, he may not come back at all. The county may be opened to-morrow, and it would be as easy to proceed with an election there as it will be to proceed with the vote of the soldiers at the next general election.

I repeat that it is a great mistake, and it is an encroachment on the rights of the people to allow a new minister of the Crown or an under-secretary who will receive emoluments to accept such an office without appearing before his electors. As the right hon. leader of the Opposition (Sir Wilfrid Laurier) said the other day, it is true that in England, when the present Government was reorganized, for a certain determined period of time the old practice was suspended. But we have seen of late new ministers selected by the Prime Minister of England, men of great reputation

and great prestige, like Mr. Churchill, obliged to return before their electors. A day or two ago Mr. Henderson resigned. No one will for a moment suggest that in England the affairs of State are not far more important than they are in Canada owing to the entanglement in which the whole British Empire is at present and the fact that everything is centralized in London from all parts of the world; and yet I contend that the successor of the Hon. Mr. Henderson will be obliged, in spite of the stress of time and circumstances to go before his electors, whether there is a big offensive in the East or whether there is a big offensive in the West. I appeal to the right hon. gentleman and ask him not to create that dangerous precedent in Canada.

Hon. Sir SAM HUGHES (Victoria): May I ask the Prime Minister for an interpretation of the words "by commission" in section 1, subsection 5a: "There shall be a Minister of the Overseas Military Affairs who shall be appointed by commission."

Sir ROBERT BORDEN: It places him in the same position as the other ministers. All ministers are appointed by commission under the Governor General's hand and the great seal of Canada.

Sir SAM HUGHES: When General Carson was appointed to this position he was not appointed by commission.

Sir ROBERT BORDEN: He was not a minister.

Sir SAM HUGHES: And why add the words "and shall be a minister of the Crown"?

Sir ROBERT BORDEN: Because the intention was to make him a minister of the Crown.

Sir SAM HUGHES: Why not let it be "there shall be a Minister of Overseas Military Affairs who shall be appointed and he shall be a minister of the Crown"? What would be the difference between that and the present reading?

Sir ROBERT BORDEN: There would be really no difference except that it is desirable to make it plain that he shall be appointed in the same way as other ministers are appointed.

Sir SAM HUGHES: The Bill, as has been stated here, introduces a new principle. From time immemorial, or ever since the establishment of responsible government in Britain, any member of the popular Chamber accepting a position as minister of the Crown must go before his constituents for re-election. I might point out that to-day, with all the struggling that has gone on in the world's history against autocracy, there are but two free governments upwards of one hundred years old; one is the Government of the United States, and the other is the Government of Great Britain. Students of history who have examined this question find that the cause of the downfall of free governments and the establishment of autocratic governments is due to actions such as we are called upon to exercise here to-day, that is, the gradual relinquishing on the part of the people, members of Parliament and the people of the country behind them, of the rights and privileges that properly belong to the people. The tendency of the human race is to be governed, is to be passive. We have had instances of it in this House. We have had instances of it where both sides have relegated to their leaders the management of the affairs of the country without, as many maintain proper supervision of their actions.

So far as I am personally concerned, I have always been a firm believer in responsible Government, but I regret to say that, in my opinion, responsible Government in the Dominion of Canada has not had a fair chance.

A Minister of the Crown in Canada, on matters of policy, should be responsible to his colleagues in the Cabinet, and, of course, to his party in the House, but on the details of his own department he should be responsible to the Prime Minister and the Prime Minister alone. The policy of having all matters of detail brought before the Cabinet Council and discussed is undoubtedly detrimental to the best interests of the public. That has been found to be the case in England and in Canada in this war. That is the reason why people say: "Oh, in war times you must have autocratic government." I do not agree with any such doctrine in any sense at all. I believe in government by the people, through the people and for the people, and I firmly believe that, when a person aspiring to become a minister of the Crown wishes to be confirmed in that position it is his duty to go before the electorate. If he cannot go in one constituency, surely the Government is popular enough to find him a constituency where he can go before the electorate and seek re-election. Otherwise, we shall be governed by an autocracy,

and we are fighting against autocracy—at least, I thought so from the outset of the war. The only reason that I have gone into the war, or encouraged any one else to go into it, was that I considered we were fighting for everything that is worth fighting for, namely, the downfall of autocracy and the preservation of human liberty. If we are gradually handing over to gentlemen, no matter how much confidence we have in them, the rights and powers which belong to the people, and these gentlemen do not wish to appear before their constituents and seek re-election, I fear we are following in the footsteps of those who laid the foundation in Germany of the condition which made it possible for the Kaiser to become the autocrat he is in that country.

Thousands of free governments have been established from time to time in the history of the world, yet, one by one they have disappeared until, as I have said, only two that have lived for a hundred years or over remain. This, I maintain, is due to such Acts as that which we are practically carrying out here to-day—the policy of surrendering the rights for which people have fought for generations to an autocracy. We are making an autocracy not merely in regard to matters overseas, but an autocracy to handle matters which properly belong to the people and for the people. I have met gentlemen representing certain forms of church, and gentlemen representing autocratic forms of government, who maintain that the people of any community are unfit for free government and will not take an interest in matters, and so they justify Parliament in handing over control of everything to two or three members of the Government. You might as well make the choice of those to control public affairs depend upon the result of a game of poker. I have pointed out that in the House of Commons we are not representatives of the people, and do not exercise our proper functions in this House, but trust to others to do the business of the country. People claim, therefore, that the only proper form of Government is autocracy in state or church as the case may be, and they proceed accordingly.

We have a great many lovers of constitutional liberty, who say that in times of peace the constitutional government is all right, but in time of war you must have autocratic government. In England Lloyd George and Bonar Law are managing the affairs of the nation to-day, and why? Not because of a union government or a coalition government, but because it was found that in the early days of the war action was what was wanted. The red tape was found to be a hindrance to a successful prosecution of affairs, so that at the beginning of the war Britain was found practically defenceless. She could not send her men and munitions to the front to meet the tremendous preparation made by Germany, and little was being done to meet that emergency, until Lloyd George Bonar Law, Lord Rothermere, Sir Edward Carson, F. E. Smith and others, Lord Northcliffe, and Sir Max Aitken, now Lord Beaverbrook, took action—not because they belonged to one party or the other, but because they were men of action and decision of character and had the interest of the Empire at heart. In a very short time Britain was able to send shell for shell, and in a short time she was able to send ten shells for one shell of the enemy; and now she can fire fifty shells for one. That was why they formed the union of different parties. And let me point out that before the union was formed, the members of both political parties were called together, and the matter was threshed out, and bitterly threshed out in some instances, between the members of each political party. With the full sanction of representatives in the House, elections were held in the country when vacancies occurred, in order to test the public feeling, and justify the action of Lloyd George in carrying on his splendid action, and showing the great energy he has shown in this war.

I go further, and I object also to a Minister Overseas, as I pointed out the other day, because it handicaps the Minister of Militia in Canada. He builds the foundation, the bottom story, and, as the hon. member for Russell (Mr. Murphy) pointed out the other night, another gentleman takes charge, and the result looks like the homeward tracks from a wake. There is no system or unison in the work of the two departments. If it is absolutely necessary for the Dominion of Canada to provide a place for the present occupant of the office of Minister of Militia Overseas, surely we can get some ornamental position for him, where he will not be a menace to the nation. I do not wish to go into these matters, but there are hundreds of positions to which he could be appointed. If it is necessary to have him there, why not do away with the provision that he is to be a minister, and let him take his salary by a vote of the House, without any such action as this, which is going back to the dark ages and establish-

ing an autocracy by the simple dictum of the Cabinet of Canada? Appoint him to some position. If it is essential that a good officer should be appointed, let General Turner have the position. He is a good officer, and every one has confidence in him. Let him act as an officer under the present Minister of Militia in Canada, and you will find much more harmony and much more execution, the soldiers will be better looked after, and there will be much more satisfaction throughout. In reference to the question of "no pay", I do not wish to bring in the personal matter, but I may say I was more or less surprised at my good friend the hon. member for Shelburne and Queens (Mr. McCurdy), bringing up the matter in the House, and saying he was not going to take pay. Lord Strathcona represented the country for many years and did not accept pay, but he did not advertise it from the housetops.

Mr. BENNETT: The cheques for his salary were all paid after he died.

Sir SAM HUGHES: I am glad to hear they were paid. His executors did the proper thing. There was no advertising done about it. I presume the cheques were lying around, and some one picked them up for him, but I want to point out that when matters are brought up concerning this office overseas, people will say, "Oh, well now, do not say anything about it, because Sir George Perley is not taking pay for his work". That has been placarded from one end of Canada to the other. The consequence is that people feel called upon to say, "This gentleman has done something great for Canada in refusing to take his pay". Supposing his salary is $10,000, a year, and he has been there five or six years, that would amount to $50,000 or $60,000.

I know a gentleman not far from the sound of my voice to-day, who is well informed in matters connected with this war, who will say that in one week this country lost ten times that amount through the maladministration of this gentleman. Yet we are debarred from exercising the control that we should exercise as members of this House and as followers of a party in power because, forsooth, he does not accept his salary. I hope that no gentleman in this House will ever make it a boast—I will not, at all events—that he is taking a job without salary, because if he did I should be somewhat suspicious that he was after a knighthood or something of that kind. Such gentlemen would be after something other than the welfare of the community.

An hon. gentleman says that I do not think much of the knighthood. I do think a good deal of knighthood when it is earned. I want to see the gentleman in Canada who has in greater degree earned his knighthood than your humble servant has. When the Prime Minister replies, will he tell me whether this condition will exist only during the period of the war, or is it to be for all time? In other words, are we to keep this distinguished gentleman there? Why not make it a job that he shall have by divine right, or something of that kind?

Mr. GRAHAM: Is it hereditary?

Sir SAM HUGHES: Yes—is it hereditary? I have had a good deal to do with the appointing of officers to responsible positions during this war, and I challenge any one to show where personal friendship has been allowed to come in. Where personal friendship was involved as against an enemy, the ability in each case being equal, the gentleman who was my personal friend got recognition; I have no hesitation in saying that. But where personal friendship was the only recommendation, I challenge any one to find out where any such officer was recognized. On the contrary, unfortunately, I can point to cases where personal friends and gentlemen seeking to exercise personal friendship fought for positions and were denied them, enmity being thereby incurred. If Sir George Perley is to be kept overseas in his present position, certainly he will not be kept there on account of his worth; certainly he will not be kept there on account of the respect in which he is held by the soldiers. If he is kept there, it will be on account of personal friendship; and as an advocate of representative government I protest against this law being passed in his interest. If it is determined that he shall remain there, let him give up the position of minister of the Crown. Let us not violate the constitution. Let him accept the position as an officer of this Government in order that he may perform whatever duties appertain to the office; then his salary can be paid him and it will not be necessary to deface the statute-book of our country by passing a law of this kind.

Mr. D. D. McKENZIE (North Cape Breton): I had not intended to speak on the second reading of this Bill until I heard the speech of the member for Pictou (Mr. Macdonald). In his statement, as well as in answers received from the Government and from hon. gentlemen on the other side who have knowledge concerning

military matters, it was stated that the general officer commanding had never been under fire, and consequently did not have the experience necessary to the performance of the duties of such a high, onerous and responsible position. The ex-Minister of Militia (Sir Sam Hughes) has stated that when this officer was nominated by him for that very high position, the military authorities in England said that he was not fit for the office. The ex-minister further said that he overruled that advice and appointed this man to the position in question. This is a matter of great importance, demanding some explanation from the Prime Minister, the Minister of Militia and the Government generally.

If there is any time when we should have talent of the highest character for a position of that kind, certainly it is during a time of war. In time of peace the administration of the Militia Department is a matter of training, and, to a great extent, of outings, exercises and good times--I do not begrudge that to those who take upon themselves the responsibility of joining the militia. Under these conditions, the character of the officer commanding is not, perhaps, so very important. But when we are up against the cannon's mouth, when we are fighting enemies like Germany and Austria, our boys who go to the front should, in their training, be given the benefit of the very best talent and

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should be afforded every protection that can possibly be thrown about them. When we are told that the general officer commanding, responsible for the important duties to be discharged in connection with the work to which I have referred, was rejected by the military authorities in England, I can find no excuse for the Government's accepting him and holding him in the responsible position which he holds to-day and has held ever since the war broke out. The ex-Minister of Militia has just said that all members of the Government should not be generally responsible for administration of different departments, that the officers of each department should be responsible to the head, but that there should be no general responsibility on the part of the Government for the actions of each minister. That is not the constitution of this country, nor the practice of government in Great Britain; the whole Government are held responsible for the acts of one minister; the responsibility is general all around. I submit, therefore, that the Prime Minister and those who sit around him are responsible to the people and must share the blame for having accepted the recommendation of the Minister of Militia for the appointment of a man who was evidently unfit for the position.

Reason my be found in this for the many irregularities and difficulties that have been experienced in this country since the war broke out—in connection with which, as we know, the Prime Minister, at least in one case, took very drastic action. There have been irregularities; there has been maladministration; things have been going wrong. One glaring case was brought to the attention of the House to-day. On one occasion the second contingent was held up in Canada for four months for reasons that were never satisfactorily explained. It is possible that this functionary, who, not having knowledge of or qualification for his position, did not see to it that the contingent was immediately sent forward and was responsible for this delay. It is possible that his inefficiency and the fact that he was subservient to the wishes of other people—particularly to the wishes of those who appointed him though not qualified—were causes for the action which was taken in connection with the second contingent.

I do not desire to introduce any acrimonious debate by going over a list of the different shortcomings of the Government in connection with this matter.

But the people of this country will readily understand why things have gone wrong and matters have not been properly handled, when they learn that we have at the head of military affairs a man who does not know anything about his business, whom the British War Office refused to recommend for the position, but who was put into the position evidently over their heads. If we had a case in which we required a doctor, would we call in a man who was not a doctor? If we wanted a lawyer to plead a case of a serious character, would we engage a man who was not a lawyer? And the same is true of all the other classes of people who require qualifications of the highest character. But in a greater case than one requiring the services of a doctor or a lawyer, in a case requiring the services of a general officer commanding our army in the awful crisis which we have been facing for the last three years, we have, on the admission of the Government to-day, a man who evidently knew nothing whatever about the business, and

who was turned down by the British War Office as not being fit for the position. Such a condition of affairs requires some explanation before we go any further in spending money in regard to the management of matters in the hands of people who evidently have not the proper knowledge or training to fulfil the functions of the important positions they hold. We have the statement made here to-day by the ex-Minister of Militia of $100,000 being lost, or ten times whatever might be his salary, through the maladministration of a man who was not very well qualified for his position. But if we had a man who was not qualified, even if he received no salary at all, his inefficiency might cost this country hundreds of thousands, aye, millions of dollars. That is what is going to be brought about by appointing to office men who are not fit for their positions. They may be good men for other lines of business, but war is a particular class of work which requires a particular class of training. The fact that a man may have a good business head so far as other affairs are concerned does not give one any guarantee that he is a good general or a good handler of soldiers.

So far as the general management of the Militia Department and the war is concerned, I, as an elector of this country and a member of this House, am not satisfied with the condition of things. We expect in a government the greatest confidence as between themselves. There may be frictions, but those frictions must give way, and the general action of the Government must be absolutely unanimous. There must be to the outside world evidences of conclusions reached by the unanimous judgment of the council before actions of the greatest importance are submitted to the country. Since the war broke out, the most important department of government has been the Militia Department, but we have had for some time before us the clearest evidence that that department was broken in two without the slightest consultation beforehand with the head of that department. We find the authority of the Minister of Militia in our overseas military affairs, all the arrangements which he had made for proper communication between his office at Ottawa and the management of the troops overseas smashed without any knowledge at all on his part. We have him lifted out of office, and his position made impossible by the appointment of a minister on the other side of the water and of a secretary here. We have, indeed, the ex-Minister of Militia put into the position of the rascally, disobedient and rebellious tenant, who refuses to give up his house. The doors are taken out; the windows are taken out; and the top is torn off the chimney, so that the place is made absolutely uninhabitable, and he must leave. That is the sort of structure that was gathered around the head of the ex-Minister of Militia, so that he had to go out. He was fumigated out and smoked out, without his consent. That seems to be the condition of things prevailing in this Government, and we have no explanation in regard to it. The ex-Minister of Militia has been throwing bricks and books and all sorts of things at the Government since he came out, but nobody replies at all, the Government evidently thinking that silence is golden, and that no matter what reply might be made, it is better to keep quiet. The way in which the Militia Department and the administration of the war is handled does not show unity of purpose. It is only fair to point out their faults to the Government, in a mild way, as I am doing now, and to hope, in the future, at all events for the little future they may have, that they will be careful and penitent and lead a better life.

Hon. J. D. HAZEN (Minister of Marine and Fisheries): Mr. Speaker, I do not desire to pose before this House as having any special knowledge with regard to military matters—

Mr. GRAHAM: Except the navy.

Mr. HAZEN: —or as being an expert with regard to land forces at all, but I have been somewhat surprised at the statement made this afternoon as to the capacity of General Gwatkin as Chief of the General Staff. There were two different periods when I was acting as Minister of Militia during the absence of the hon. member for Victoria and Haliburton (Sir Sam Hughes). I met at that time General Gwatkin, who, hon. gentlemen are aware, was in the Militia Department before this Government came into power, and who, when General Mackenzie retired, was promoted to the higher position on the recommendation of the Minister of Militia. I came into contact with General Gwatkin daily for a period covering several months at meetings of the Militia Council and in other ways. As Chief of the General Staff, General Gwatkin has charge of the mobilization and training of the men who belong to the Canadian forces preparatory to their going overseas. From my observations I came to the conclusion that General Gwatkin

was an excellent officer. I found him extremely industrious, a most hardworking man who was in his office day and night. I further found him possessed, so far as I was capable of judging, of admirable knowledge with regard to all military matters, and I thought he was one of the most valuable officers in the employ of the Militia Department of this country.

Mr. LEMIEUX: Granted all that, is it true that the British War Office refused to recommend him?

Mr. HAZEN: I do not know whether that is true or not; I have heard that statement to-day for the first time. He was, as my hon. friends know, in the Militia Department when we came into power, and he was subsequently promoted. He has done admirable work; he has rendered good service to this country; he has discharged his duties with ability. He possesses the requisite knowledge, so far as the military end is concerned, and he has discharged those duties in a way which is satisfactory. He has given very valuable services to this country for any remuneration he has received.

Mr. LEMIEUX: I think so, too.

Mr. HAZEN: I cannot understand the statement made that he was not recommended by the British Government because, at one period when I was acting as Minister of Militia, a despatch was received asking that General Gwatkin and the gentleman who was then Commandant of the Royal Military College at Kingston should both be returned, as their services were required on the other side by the British Government.

I took the opportunity at that time of notifying the British authorities that I thought it would be impossible for us to get along satisfactorily in the Militia Department without General Gwatkin's services, unless they were prepared to give us some one equally competent who would take his place, and who could discharge the duties of the position he was filling. The fact that the British War Office asked that he should be returned for the purpose of doing service on the other side in connection with the war, and that it was owing to our protest he was not returned, is, I think, strong evidence that he was held in high regard by the War Office and the British Government.

Sir SAM HUGHES: May I ask my hon. friend at what period that was? Was it while I was minister, and where was I?

Mr. HAZEN: I was acting as Minister of Militia. I think it was during the time my hon. friend was on the other side. What I have said was my opinion at the time, and was an opinion formed after consulting men who knew far more about military matters than I do. I understand General Gwatkin was held in very high regard as a soldier by one of the best soldiers who ever was in Canada, I refer to His Royal Highness the Duke of Connaught, who was Governor General of this country for five years, and who fulfilled his functions so satisfactorily.

Reference was made to the large number employed on the other side in connection with military matters, as compared with the smaller number employed in the past. I hope before Parliament prorogues we shall have the exact figures, and know how many Canadians have been employed in connection with the military offices in London and on the other side generally. When I was in London on a recent trip to the Imperial Conference, I availed myself of every opportunity of visiting the different offices in which matters connected with the militia of Canada were being administered. There are a large number of officers and others employed, for instance, at the pay offices at Millbank, which is in charge of Colonel Ross. I went through the offices with Colonel Ross, and spoke to him about the number employed. I said, "There seem to be a great many people here, and they all appear to be very busy." His reply was, "Oh, yes, and there is not a man too many; we have to keep accounts of over 300,000 men; our correspondence is simply enormous. In the British War Office they do not pretend to answer the letters we answer here. Their letters are simply filed away. Here we make it a point to answer any letter written us in the interests of any Canadian, or with regard to any Canadian, or on any subject in which any Canadian is interested in this department. We could not get along with one man less." I think there were about 500 employed in the department. Colonel Ross added "As a matter of fact, we have great difficulty in keeping our work up to the mark, and if letters are unanswered for a day or two we are sure to have complaints." One of the difficulties was that the men were soldiers —men who had been discharged from the hospitals and who were able to do this work, but were not fit to go back to the front. By degrees these men got better, and gradually worked into what is called

the "A" class, and were sent back to the trenches again, other men being brought from the hospitals to take their places. While this arrangement is desirable, it hampered the work to a considerable extent, as men having experience were taken away, and new men brought in who had to be trained for the work. I saw no men idling in the Government offices. It seemed to me they were all busy, and discharging their duties industriously, and doing hard work. I think any one who knows Sir George Perley and his business habits, and any one who knows General Turner's capacity, energy and industry, will appreciate that they would not desire to employ a man unless there is work for him to do. More men have been going over, and there will naturally be an increase in the work to be done. In order that we may discuss the matter intelligently, I hope we shall have a statement showing the figures of the people employed, before the House prorogues.

I did not rise to discuss this matter, but I felt it was only an act of fair play on my part to say a word in justice to General Gwatkin, because I believe he has given good value to the country, and is an admirable man for the position he occupies.

Mr. R. B. BENNETT: I do not believe any more unfair, unjust or ungenerous attack was ever made in this House upon a great, unselfish public servant than was made this afternoon against General Gwatkin. I did not know General Gwatkin when this war broke out. He is a distinguished British officer who served with the Manchester battalion, but so long as he was not prepared to bend his will to that of the ex-Minister of Militia and Defence (Sir Sam Hughes), he must needs be attacked. It reflects no great credit upon this country that so distinguished a citizen and so distinguished an officer should be made the subject of such a conspiracy of attack as that which has taken place this afternoon between the hon. member for Pictou (Mr. Macdonald) and the hon. member for Victoria (Sir Sam Hughes).

Some hon. MEMBERS: Order.

Mr. R. B. BENNETT: I did not know except of the military attainments——

Mr. LEMIEUX: I rise to a point of order. The hon. gentleman refers to a conspiracy between two hon. members against General Gwatkin. I think the expression is out of order.

Mr. SPEAKER: I do not think the hon. member for Calgary (Mr. R. B. Bennett) is in order in attributing motives of that nature, unless he has personal knowledge of the matter.

Mr. BENNETT: I will put it this way—the very apparent conspiracy which has always been evidenced by the conduct of the hon. member for Pictou (Mr. Macdonald) and that of the hon. member for Victoria;—one asserts, then calls upon the other to support. This is the common practice, whether dealing with the Ross rifle, or General Gwatkin, or anything else. The people of the country are getting wise to this.

Sir SAM HUGHES: I rise to a point of order, and to ask you a question, Mr. Speaker. I went to you and I asked you if I would have an opportunity of replying to any statement that might be made after I spoke. I was informed by you that I would not have such an opportunity.

Mr. SPEAKER: The hon. gentleman put this question to me:—would he be in order in speaking after the Prime Minister? I said, no, inasmuch as the Prime Minister, in replying, closed the debate.

Sir SAM HUGHES: I rise to a question of privilege. I did not attack General Gwatkin. I shall give General Gwatkin's record at any time there is an opportunity to do so. If necessary, I am prepared to go into the whole matter. I may also say I have never been actuated by any animus. I have tolerated General Gwatkin when I should have dismissed him many a time.

Mr. R. B. BENNETT: In 1915 General Gwatkin was referred to by one of the leading officers in the British army, in my presence in London, as being one of the most efficient soldiers of his time, having regard to the rank he held. Colonel Gwatkin came to this country with General Lake. He was promoted under the late Administration.

Sir SAM HUGHES: He was a major.

Mr. R. B. BENNETT: He was a major when he came here, but a colonel when the war broke out. It was then that the general staff of the British War Office desired him to return to England, as the Minister of Marine and Fisheries (Mr. Hazen) said, but because his services were indispensable to this country, he remained here against his better judgment. Now, after giving exemplary and untiring service to Canada, he is made the object of attack in this House. To my knowledge General Gwatkin is the hardest working man in any

department of the public service at Ottawa, bar none. He goes to his office early, and stays late. He is accommodating and obliging. He is one of those quiet, unobtrusive gentlemen who do their work without noise or bombast. He is one of those gentlemen who do their work without going from seaboard to seaboard for the purpose of making known their merits.

He is a quiet, unobtrusive gentleman who goes about the country doing the work which has been entrusted to him without advertising it from the housetops. When the history of this country is written with respect to the mobilization and training of the first contingent, the name of General Gwatkin will be the one which will receive a greater measure of appreciation than that of anyone else. I think it ill-becomes the hon. member for Pictou, who at least arrogates to himself the possession of some knowledge on military matters, to refer to General Gwatkin as he has done.

Mr. BRADBURY: He is a colonel.

Mr. R. B. BENNETT: He may be a colonel but I would judge he was a private from the observations he has made this afternoon in regard to General Gwatkin. I know what General Gwatkin has done in respect to mobilization and training in the province in which I live. He is not responsible for the system that moved others to cry from the housetops, or for making men colonels, they being civilians, as they walked along the street, but he went quietly and calmly about his duty. He laid down certain rules for the training of our forces, and I would say to the hon. member for Pictou that, as a colonel and a member of the militia, he knows that General Mackenzie's position in this country was general officer commanding the Canadian forces, and that General Gwatkin was not appointed to that position although he was recommended for it.

Sir SAM HUGHES: General Mackenzie was not general officer commanding in this country. He was chief of staff, the same as General Gwatkin.

Mr. R. B. BENNETT: He occupied the position formerly held by the general officer commanding, but owing to circumstances connected with the dismissal of Lord Dundonald that position was not filled. The hon. member for Pictou knows that the Government which he supported laid down the principle that the Minister of Militia, a civil officer, was the head of the forces in Canada, and that the military officer who was sent here, loaned to Canada, at request, by the British authorities, occupied a position subordinate to the minister. Therefore, because General Dundonald saw fit to arrogate to himself, as my hon. friends said, certain authority which, they said, he did not possess, he was removed from his position and a Minute was passed that in Canada the minister was head of the military organization and that whoever was chief of the general staff, or general officer commanding, occupied a subsidiary position to the minister. General Gwatkin was chief of the general staff and responsible for the mobilization and training of the troops. It is too bad that at a time of stress like this the people should be told that there should be a general in command of the forces in Canada when those responsible for this story know as well as I do that this gentleman to whom I have referred is the party who is responsible for training our forces and sending them to England to receive their final training at the hands of the British authorities, operating as part of the Imperial forces, and that their fitness is passed upon by General Turner now and ultimately by Lord French who is the Inspector General of the forces in England. Provided their fitness is satisfactorily determined, they are sent to France or to Flanders. My hon. friend knows that. He knows that no general in Canada has aught to do except to see that the forces are mobilized and trained until they are enabled to cross the seas as prospective first-class troops. Then they are passed upon by an officer who is eminently able to determine whether or not the troops are fitted for trench warfare on their arrival in France. An attempt is being made to create the belief that because there is no general in charge of the troops and that there is only a man who sits in his office and directs mobilization and training, not going out and inspecting himself, that the work is not being properly done. This gentleman does not himself go out and inspect because there are inspectors appointed for that purpose. General Hughes is the inspector of the forces west of the Great Lakes and for the troops east of the Great Lakes there are other inspectors. These inspectors go all over the country and determine whether the troops which are in training are fit to go overseas to undergo their supplementary training in England and become part of the Imperial forces. It is because there has been in this country, since this war began and up to the time Sir Edward Kemp succeeded as Minister of Militia, a man who arrogated

to himself not only the authority of the Minister of Militia and Defence but of the Commander in Chief of the Forces as well, that this difficulty has arisen. It does not require a soldier to be Minister of Militia. It requires a business administrator such as we now have, while the duty of mobilizing and training the forces, of determining their fitness, of determining whether or not they should go overseas and become part of the fighting units, is a duty which should be delegated to men who by experience, training and fitness are qualified to discharge it. To assist in the training of our troops men have been sent from overseas; men who have had experience in trench warfare, men who have fought at Ypres and Vimy Ridge. These men are now training our forces under the direction of a man who went to the War Office to take charge of certain work there at the time when Lord Kitchener went to South Africa. This gentleman, although he was asked to take a position in the War Office, yielded to the earnest solicitations of the Government of Canada, who recognized that he was qualified by experience and training to take charge of the mobilization and training of our forces.

Now, as to the general character of the Bill providing for the appointment of a minister overseas, I have only a word to say. General Sir Sam Hughes sent General Carson over there to represent him and you know what an anomalous position General Carson was in—he who was not a member of this House, or a member of Parliament—went over there representing the Government and putting upon his letter paper the statement that he was "representing the Minister of Militia and Defence." It was necessary that some one representing the Government, Parliament, and people of the country should be resident minister overseas.

With regard to the Bill, I quite agree with what has been said with reference to the emoluments of the office, whatever they are as fixed by Parliament, being paid to the person discharging the duties. It is but fitting that those who have every qualification except wealth, those who have merit and ability, should have an opportunity of filling the most exalted office in the land. Were it not so the men who have taken a great and commanding position in the public life of England in the last five years would not have found an opportunity of giving the country the benefit of their services. I am quite in accord with what has been said with respect to this matter. But it does seem to me that the hon. member for Rouville (Mr. Lemieux) is right with regard to the obligations of these gentlemen to submit themselves to election. There is no necessity to submit men to by-elections having regard to the fact that the life of this Parliament expires in eight weeks from last Saturday night. Under these circumstances surely these gentlemen can go on discharging their duties without having to submit to a by-election. All the members of this Parliament who desire to be candidates will have to submit themselves to the verdict of the people within a very reasonable time.

Mr. GRAHAM: You could not tell us the date, could you?

Mr. R. B. BENNETT: I could not, but I am quite sure it will be too soon for my hon. friend.

Mr. GRAHAM: Not at all; do not worry about that.

Mr. R. B. BENNETT: The suggestion made by my hon. friend from Rouville is one that is worthy of consideration, and it does not in any sense depart from that old principle which, while it has been honoured in the breach once or twice recently in England, is now being honoured in the observance, in respect to the recent election of ministers, because in one or two instances there have been by-elections there.

Mr. MACDONALD: Mr. Speaker, I rise to a question of privilege for the purpose of making a personal explanation. I desire to say that the statement, or the innuendo, that anything I said this afternoon was the result of any conspiracy or previous understanding between myself and the ex-Minister of Militia and Defence (Sir Sam Hughes) is absolutely untrue.

I did not know that the British Government had objected to General Gwatkin being appointed in Canada until the ex-minister made the statement this afternoon. The hon. member for Calgary (Mr. R. B. Bennett) is in the habit of retailing conversations with imaginary people, usually very important people.

Some hon. MEMBERS: Order.

Mr. R. B. BENNETT: I rise—

Mr. SPEAKER: The hon. member for Pictou (Mr. Macdonald) is quite in order in making a personal explanation, but not in enlarging upon the subject.

Mr. PROULX: Mr. Speaker—

Mr. SPEAKER: The hon. member for Prescott—

Sir SAM HUGHES: I rise to a question of privilege. General Gwatkin had no more to do with the mobilization of the first contingent than that page boy who stands there.

Mr. R. B. BENNETT: Only one man did it.

Sir SAM HUGHES; Never mind, it got there.

Mr. PROULX: Mr. Speaker, the hon. member for Calgary (Mr. R. B. Bennett) has said that we are going to have an election very soon. I submit that we should wait until after an election before considering this Bill. I do not see much necessity for passing this Bill now. Sir George Perley has been acting as minister overseas for about a year; the hon. member for Queens-Shelburne (Mr. McCurdy) has been acting as parliamentary secretary of militia for about eight months, and the hon. member for North Bruce (Mr. Hugh Clark) has been acting as secretary for External Affairs for about the same time. There has been no legislation passed to confirm their positions. Sir George Perley and the member for Queens-Shelburne have said they would not accept the salaries which the Government proposed to attach to these positions. Then what is the necessity of passing this legislation? We are going to have an election in a few weeks. Probably there will be a change of Governmen and these gentlemen will not be in office after the next election. So far as the Secretary for External Affairs is concerned, compensation or an honorarium could be voted to him by Parliament without passing special legislation. I question whether we should vote to him $5,000 a year. I have even heard it said that part of his time is devoted to writing political campaign literature for the Conservative press. I do not know whether it is true, but the affirmation was made the other day by the hon. member for Rouville (Mr. Lemieux), and, although the hon. member for North Bruce (Mr. Clark) was in the House at the time, he has never denied it. I do not think the country should pay any salary to the secretary of any department who devotes his time or part of his time to working for the benefit of his party, preparing campaign literature or sending articles to the party press.

I submit that there is no necessity for this Bill. Sir George Perley and the member for Queens-Shelburne (Mr. McCurdy) do not want to receive the salaries which the Government wants to attach to these positions. I intend to vote against the second reading of this Bill.

Mr. HUGH CLARK (North Bruce): The charge has not been made directly, but it has been insinuated once or twice that my principal duty is to look after campaign literature. I am afraid that if that were the purpose of my appointment, and if that were the business I should be looking after, I have entirely neglected it, because the complaint I have heard on this side of the House is that while campaign literature is going out by the ton from the other side of the House, little or none is going out from this side. I cannot understand why hon. gentlemen opposite say that they do not make the charge, while at the same time they convey the insinuation that this is the principal business for which I have been appointed.

Sir ROBERT BORDEN: Mr. Speaker—

Mr. SPEAKER: I direct attention to the fact that the Prime Minister is replying.

Hon. GEORGE P. GRAHAM (South Renfrew): Mr. Speaker, I have never made any charge about the member for Bruce writing skits for Conservative papers or even contributing campaign literature, but you will notice he did not say he has not done so.

Mr. HUGH CLARK: Even if I did.

Mr. LEMIEUX: Hear, hear.

Mr. HUGH CLARK: Even if I did.

Mr. LEMIEUX: Hear, hear.

Mr. HUGH CLARK: —I am not in any different position from the right hon. gentleman the leader of the Opposition, whom my hon. friend supports and who accepts a salary of $7,000 a year, and whose name floats at the masthead of the Canadian Liberal Monthly.

Mr. GRAHAM: Again the House will understand that the member for North Bruce (Mr. Clark) has practically admitted that he does—

Some hon. MEMBERS: Hear, hear.

Mr. GRAHAM: I have never taken that position concerning his work before, although many samples of it have been sent to me with the request that I should. I would never suggest that he did it; in fact, I did not think he did. I never dreamt that he did. But now he practically admits, or declines to deny, that, while the Government is asking us to vote him a salary of $5,000, he does dabble in preparing cam-

paign literature. I think that will not be of assistance in helping this Bill through. I think if the people of the country believe what the member for Bruce really intimates they might believe, that is that he does prepare such literature, they will form their own opinions.

Mr. HUGH CLARK (North Bruce): May I repeat what I have already said, that if that was the principle business for which I was appointed, I have been neglecting my duty.

Mr. McKENZIE: That is left-handed.

Mr. GRAHAM: The House can take their own viewpoint. The hon. member declines to say that he has not prepared campaign literature or written articles since he became parliamentary secretary. That being the case, I ask the Prime Minister if he thinks it quite fair to ask us to pass a retroactive measure granting a salary from last October to a member who tacitly admits that he has been engaged since that time in preparing campaign literature. I leave it at that.

Mr. W. H. BENNETT: May I ask the hon. gentleman if he would, on his word of honour, say that during his incumbency as Minister of Railways and Canals he never wrote anything for the Brockville Recorder or any other paper?

Mr. GRAHAM: I would not for the world say that, and I would not question the propriety of the hon. member for Bruce writing anything for the Kincardine Review, for which he would be paid by the Kincardine Review, and not by the country.

Mr. LEMIEUX: And you went before your electors when you were made minister.

Mr. GRAHAM: I went before my electors when I was appointed minister. I did not ask to be exempted by statute. This legislation does not say that from this time on gentlemen who are receiving emoluments from the Crown shall be exempt from the constitutional requirement of re-election, but in proposing it the Government asks the House to vote that these three gentlemen, having been appointed to office months ago, shall have salary paid to them, in violation of the constitution, dating back to October last. The Government is acting like an autocratic head of a railway who first decides what will be done and then asks the directors to sanction what the head has proposed. This Government takes a step in direct violation of our constitution and then, nearly a year afterwards, asks Parliament to approve of that violation. For the life of me, I do not see what justification the Government has for this position. The hon. gentleman from Calgary said: "What difference does it make, because there is shortly to be an election." It makes a difference of more than a year, because this Bill proposes that these gentlemen shall receive salary for a year before there will be a general election, and before Parliament has been asked to sanction this contract.

If the Government is going to propose, merely because there is a war on, that every vestige of responsible Government can be set aside whenever they wish to set it aside, I think it is a mistaken idea, and it was too bad we did not have a general election a year ago, instead of an extension of the parliamentary term. Had Parliament ever thought the Government would openly violate what has been the constitution of Canada for many years, I believe the extension would not have been granted. I think members on both sides of the House would have objected to it. I am not criticising the two parliamentary secretaries at all, because they are both competent for the position, but one of them spends some of his time in doing work for his party and the country is asked to pay for that time. The other gentleman says he will not take the salary. I do not believe in that kind of stuff at all. I am not reflecting on the hon. gentleman from Shelburne and Queens for an instant, because I believe he wishes to give his services and does not want remuneration, but in a country like ours you cannot make those distinctions. If men wish to come forward and perform some great duty for the State, all right, but where it is an appointment such as that under discussion, it merely puts a premium on a man's bank account, and I submit that it places other gentlemen in a position they should not be placed in, because they are not financially able to work without remuneration. While I admire any man who is willing to serve his country for nothing, still it places us in the position that we do not feel at liberty to criticise a man who works for nothing as we would a public servant who is taking his pay. Time after time, when we have discussed things which took place overseas, we have been met with the statement: Sir George Perley is giving his services for nothing. Without criticising Sir George Perley unduly, we know that a man might be giving his services for nothing, and still be

costing the country hundreds of thousands of dollars more than if some other man were paid a fair salary for doing the work. All men cannot perform these services without remuneration and if that is to be the standard for selection for office then we may lose the services of some of the ablest Canadians. I strongly object to this retroactive legislation. I do not think it is in the interests of the country, or that there is any necessity for it. If these men were to be appointed a year ago, some provisions should have been made for them being paid, and for their salaries before their appointments took place. I submit that the Government acted unwisely in making those appointments, and a year afterwards saying: True, these members of Parliament had no right to sit in this House without going to their electorate after the date at which they were to receive salaries, but we are going to arrange all that, and provide that this law shall be retroactive. I think it is not safe to embark on such a course. We pretend to be one of the most democratic countries in the world and I believe the claim is well founded, but every time we depart from the democratic foundation of our constitution we depart from what I believe is the straight line towards that future greatness which is Canada's destiny.

It is a grave mistake to ask Parliament to declare by statute that we can give members of Parliament emolument without having them go before their electorate for re-election. By this Act we are providing that the Government of Canada shall be enlarged by three members. I am not going to argue whether that is wise or not, but I submit that all the work performed by any of these gentlemen could have been performed by them just as well without their being ministers. The work of parliamentary secretaries was discussed the other day, and my right hon. friend the Prime Minister took very strong grounds, and rightly so, I think, that the work of the parliamentary secretaries was not all confined to parliamentary work. That is true, but it must not be forgotten that they are called parliamentary secretaries for the very reason that they take the place of the minister in the House and give to the House details which the minister should not be burdened with. That is the object of parliamentary and under-secretaries, and, in order to be in a position to give that information to the House, they have to be in close touch with the business of the department. But when it is argued that the chief work of a parliamentary secretary is not performing parliamentary service in the way I have outlined I dissent. Here we are to have ministers of the Crown who are under other ministers and not under the Prime Minister.

Sir EDWARD KEMP: No.

Mr. GRAHAM: My hon. friend says no. I did not refer to the Overseas Minister being under the hon. Minister of Militia. Subsection 5 (b) of section 1 of the Bill reads:

> The Governor in Council may appoint a senator or a member of the House of Commons to be Parliamentary Secretary of the Department of Militia and Defence, and such Parliamentary Secretary shall be a minister of the Crown, and shall have and perform such powers and duties as the minister may from time to time prescribe.

This is an anomoly. Here we have a minister under a minister. To the people of this country, and to members of Parliament, that will appear to be a peculiar situation for a minister to hold. Every member of the Government is directly responsible to the Prime Minister for his acts, his conduct, and the exercise of the powers given to him, but under this Bill the new parliamentary secretaries will be ministers of the Crown with all that that implies, but by statute they are going to be made subject to the minister who presides over a particular department. The minister has to prescribe their duties. The words of the section are: "And shall have and perform such powers and duties as the minister may from time to time prescribe." We have a member of the Government who is not acting directly under the Prime Minister, but under a minister who is head of a department.

For instance, the parliamentary secretary of the Department of Militia, although a minister of the Crown, is subject to and performs the work outlined by the Minister of Militia. Suppose these two ministers of the Crown should come to loggerheads? According to the principles of our constitution, of responsible government and of parliamentary practice, one minister of the Crown is as powerful as another. The parliamentary secretary having been made a minister of the Crown and receiving the emoluments pertaining to that office, may sit in council and say to the Minister of Militia: This is the way of doing it; I have a right to have it done my way, even though the statute says that I am subservient to you. Under this Act we now have three Ministers of Militia; we have the one overseas; we have the head of the Militia De-

partment here and we have under statute a parliamentary secretary, who is a minister of the Crown, representing the Militia Department. I wonder if all this is necessary? In view of the fact that we are at war; in view of the fact that our people are bending all their energies, financial and otherwise, to the prosecution of our part in this struggle, I wonder if the Canadian electorate will think that there is any real necessity for all this machinery and intermachinery? Possibly this will happen next: An Act will be introduced to create the office of secretary to the overseas minister, the person holding that office to be also a minister of the Crown.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. GRAHAM: At six o'clock I had almost concluded the few observations I was making on this Bill. As I am not a military expert, I cannot express any opinion as to the qualifications of General Gwatkin whom I have met only once or twice. What the ex-Minister of Militia (Sir Sam Hughes) said this afternoon struck me as a remarkable utterance. If I correctly caught what he said, he informed the House that the British Government would not recommend the appointment of General Gwatkin, then a colonel to the position he holds, and the ex-minister gave that as the reason why he did appoint General Gwatkin, because he believed he would not be interfered with. I will not attempt any criticism; it is a peculiar utterance from an ex-minister of the Crown, and it will require some explanation later.

In regard to the overseas management, it is generally conceded that there is lack of expedition in providing us with information which hon. members, and particularly those who have relatives in England or in France, are very anxious to receive. If fault there be, it is not the fault of the Militia Department here, because I want to bear testimony to the fact that the Minister of Militia, the parliamentary secretary, the deputy minister, and all the officials are, so far as I am concerned, most courteous and very prompt in affording information. It seems however, to take an interminable time to secure information from overseas. The Minister of Militia and some of the officials have once or twice undertaken to secure certain information for me, and perhaps the time required to get it may not seem long to the department overseas, but it seemed a very long time to me. If there were some way by which such information could be given to us more quickly, it would be a great convenience. When there was no minister overseas, I received information, very important to me, within 24 hours. The minister himself would cable direct to his representative overseas and back would come the answer, whereas now there seems to be any amount of red tape to prevent getting information expeditiously.

This House is asked to vote the second reading of a Bill which provides for the appointment and salary of an overseas minister who says he will not accept a salary, and for the appointment of a parliamentary secretary of the Department of Militia and Defence who also says he will not accept a salary, and for the appointment and salary of a parliamentary undersecretary of state for external affairs who tacitly admits that he has devoted part of his time to writing campaign literature. This requires some explanation which I trust will be forthcoming when the Bill is in committee.

Mr. O. TURGEON: (Gloucester): In making a few remarks on this Bill, I do not intend to indulge in personalities, or to make any reference to the hon. gentlemen affected by it. Personally, as far as those two gentlemen are concerned, they have always given me kind treatment, I can especially pay that tribute to the Parliamentary Secretary of Militia and Defence (Mr. McCurdy) in different transactions I have had with him. As to the Minister of Militia and Defence Overseas, his personal qualities will be commended by every one who knows him. I rise simply to enter my protest against the violation of the constitution which this Bill effects the moment it comes into operation. Practically every section of this Bill contains a contemplated violation of the constitution. By it we are appointing three new ministers. Section 5 B reads:

> The Governor in Council may appoint a senator or a member of the House of Commons to be Parliamentary Secretary of the Department of Militia and Defence, and such Parliamentary Secretary shall be a minister of the Crown, and shall have and perform such powers and duties as the minister may from time to time prescribe.

Not only is the present Minister of Militia and Defence Overseas confirmed as a Minister of the Crown by this Bill, but these parliamentary secretaries will become ministers of the Crown, and thus the House undertakes the responsibility of ap-

pointing three ministers without their having to go back to the people for endorsation. That is a new state of affairs in this country. Our constitution has been so violated during the last few years, that this Parliament should call a halt for the short while this Parliament can possibly exist, so that the people may have an opportunity of expressing their will in the matter. I will read the section in the Bill in order that the people may know what is being done by this legislation. Section 4 says:

> Nothing in the Dominion Elections Act or in the Senate and House of Commons Act, Revised Statutes of Canada, 1906, chapters six and ten respectively, or in any other statute or law, shall render ineligible any person accepting or holding either of the said offices of Minister of Overseas Military Forces, Parliamentary Secretary of the Department of Militia and Defence, or Parliamentary Under-Secretary of State for External Affairs, as a member of the House of Commons, or shall disqualify him for sitting or voting therein.

It is plain that this section makes those three hon. members ministers of the Crown without the sanction of the people. Even though there may possibly have been a solitary precedent in the British Government, our position and that of the British Parliament are quite different. We are under a written constitution, every section of which must be preserved for the sake of the unity of the Dominion. One cannot possibly compare the position of this Parliament, since the expiration of its term on the 7th of October, 1916, with that of the Parliament of Great Britain, where ministers have been appointed by the score, and every one of them, except the one, has had to seek re-election. The position of the Parliament of Great Britain cannot be compared with that of this Parliament in another respect. During the war there was formed in Great Britain a national Government, representing every section of the people, which is not the case in this country. What I regret most is that this Parliament has been extended in a very unconstitutional way, and without taking the proper means to extend it. It has been stated by the Minister of Militia that these gentlemen would not accept any salary. I believe if any man in the Department of Militia and Defence has earned his salary, and has worked faithfully, the secretary for militia has performed his duty according to his conscience and worked very hard, and he deserves his salary just as much as does the Deputy Minister of Militia. Every word we hear in this country and in this House is in favour of democracy, extending democracy and saving democracy. That being so, we should not admit as a principle that a man should work without recompense. If he performs his duty he has a right to be paid. If we were to accept free the services of men who are favoured by fortune, we would soon come to the point that only men of wealth could possibly be had to administer the affairs of the country. This is against the principles of democracy and it is a dangerous principle to admit from every point of view. They say they will not accept remuneration for their services. If that be so, why present this Bill? The Bill is made retroactive so that they will have a right to their salaries from the time they have been in office, and it extends not only to the gentlemen who are to-day filling the offices, but to others who may take their places, and the guarantee we have from one or two of those hon. gentlemen that they will not accept any emolument, is not a guarantee against a future violation of the constitution. Should either Sir George Perley or Mr. McCurdy resign, other gentlemen will be appointed, and, naturally, unless you find other millionaires, these other gentlemen will have a right to their salaries. There is another feature in this Bill which appears to be even more serious. Clause 6 says:

> This Act shall continue in force during the continuance of the present war and until the end of the session of Parliament held next after the end of the said war, or, if Parliament is sitting when the war ends, then until the end of such session of Parliament.

Those hon. gentlemen will be appointed for an indefinite time—until the war is terminated. If the war should last two or three years more, their appointment will remain valid during that time. If new men come into the positions in virtue of the Act, they will remain in office for two or three years. This is against every principle of our constitution. In two months, or less, every member of this House will have to get the endorsation of the people. My right hon. friend (Sir Robert Borden) will himself have to go to the people for their decision as to whether he shall remain in office, yet those hon. gentlemen will be in office notwithstanding, until the end of the war and for a year or two after the war, without the people being consulted. This is not only a violation of the constitution, but the last clause particularly is simply murdering the constitution. As the term of this Parliament is very short, why put the country into this posi-

tion? The hon. gentlemen in office say they do not want any salary. My suggestion would be to pay them. Parliament has the right to vote a sum of money for services rendered. Let the Prime Minister or the Minister of Finance bring in a supplementary estimate for the services rendered by Sir George Perley and the Hon. Mr. McCurdy and we will vote the money gladly. It is to be regretted that the Government did not see fit to replace the High Commissionership in England immediately after the death of the last incumbent. The Government would have been in a much better position before the people if they had done so. According to my judgment, Sir George Perley would have been as good a High Commissioner as he has been a representative of the people, or, other members of the Cabinet could have been appointed to the office. So far as concerns the position of Minister of Militia Overseas, I am in thorough accord with what has been said by the right hon. leader of the Opposition. I believe only one member can be appointed at the head of a department, and the minister should be in Canada, responsible to Parliament. The gentleman representing him overseas can only be there in the capacity of a deputy minister. A second deputy minister, who would be responsible to the head of the department, could have been appointed to look after the business of the department overseas. Under the circumstances and more particularly in view of clause 6, by which these gentlemen would remain in their positions notwithstanding the general election, I would strongly advise the Prime Minister that he should withdraw this Bill, and vote a sum in the supplementary estimates to recompense these hon. gentlemen for the services they have rendered.

Sir ROBERT BORDEN: I would like to say to my hon. friend (Mr. Turgeon) that the construction he has placed upon the Act is entirely wrong. The gentlemen mentioned will, on the dissolution of Parliament, cease to be members of Parliament like the rest of us, and unless they are re-elected they naturally could not continue in their positions. It may be worth while to remind the House of the reasons why these offices were established. The Order in Council creating the ministry of the overseas service recited the unprecedented efforts that had to be made in this war; its unexpected length; the necessity for close co-operation with the British Government, and particularly the very great importance, and indeed, necessity of attaining the highest degree of efficiency with the most thorough and complete economy. Thorough co-operation with the British Government, a maximum of effort, and a maximum of economy, are the reasons set forth in the Order in Council as the considerations which led to the passing of the Order in Council establishing the overseas ministry.

[Mr. Turgeon..]

Further, it was pointed out if I remember correctly, at all events the fact was that under conditions as they existed before the overseas ministry was created, it had become necessary from time to time for the Minister of Militia and Defence to spend a considerable portion of his time in Great Britain. As a matter of fact, during the year 1916, I think the then Minister of Militia and Defence spent as much of his time in Great Britain as he did in this country. During the period in which he was attending to the affairs of his department in Great Britain, it was necessary to appoint some other minister to carry on the administration of the department in this country. The practice before the overseas minister was appointed was indeed not very different from that which has prevailed since; not very different at least in this respect that it was necessary for months at a time for the minister of the Crown charged with the responsibility for militia affairs to devote himself to duties on the other side of the Atlantic.

With respect to some of the matters to which I have alluded, the Order in Council proceeded to enact the following ordinances for the constitution of the ministry of the overseas military forces of Canada:

Ordinance for the Constitution of the Ministry of Overseas Military Forces of Canada.

1. There shall be, so long as the present European war continues and thereafter until otherwise directed by the Governor in Council, a Minister of Overseas Military Forces of Canada, who shall be charged with the control of and shall be responsible for the administration of the affairs of the military forces of Canada in the United Kingdom and on the Continent of Europe; the ordnance, arms, ammunition, armouries, stores, munitions and habiliments of war belonging to Canada in the United Kingdom and on the Continent of Europe appropriated for the use of the overseas military forces of Canada, and all expenditure incurred in the United Kingdom or elsewhere in Europe for or in respect of the overseas military forces of Canada; the aforesaid powers and duties of the administration to include without limiting their generality, all powers and duties in connection with the troops, property and expenditure aforesaid heretofore exercised by or charged upon the Minister of Militia and Defence

2. The minister shall for the convenience of administration, and in order to expedite the transaction of the business with which he is charged, ordinarily reside and discharge his duties in London, and in urgent matters of importance which would generally be subject to consideration and direction, upon the minister's report, by the Governor in Council, the minister may, if the time or means for communication do not admit of antecedent authority from the Governor in Council, sanction provisionally such measures as may seem to him advisable, subject, however, to report and the confirmation of the minister's action by the Governor in Council.

3. The minister shall moreover be charged with the negotiations on the part of the Government of Canada, as occasion may require, with His Majesty's Government, in all matters connected with the Government, command and disposition of the overseas forces of Canada, and such arrangements as may be advisable for co-ordinating their operations and services with those of His Majesty's troops, and generally for the purpose of utilizing the overseas forces of Canada in the most effective manner for the purpose of the war.

4. The minister shall moreover execute such further powers and perform such other duties as may be from time to time conferred upon or assigned to him by the Governor in Council.

5. The minister may for the purposes aforesaid establish such organization as may be found necessary and adequate, and he may, subject to the approval of the Governor in Council, appoint such officers and clerks to assist in the work of ministry as he deems necessary, with such grades in the Civil Service of Canada as may be prescribed, and such officers and clerks shall not be subject to examination under the Civil Service Act.'

6. There may be an advisory council, consisting of such members as the Governor in Council may appoint, to advise the minister as to matters relating to the affairs and property hereby committed to his administration.

7. All recommendations of the minister for submission to the Governor in Council shall be transmitted through the President of the Privy Council.

8. Until Parliament otherwise provides the minister shall hold his office, commission or employment without any salary, fees, wages, allowances, emolument or other profit of any kind attached thereto.

It will be observed, that the Minister of the Overseas Forces has no power of organization or appointment except with the approval of the Governor in Council, unless it be provisional, and then it must be finally approved and confirmed by Order in Council. Therefore, when it is suggested, as it was by the hon. member (Sir Sam Hughes) that the increase in the staff of the Overseas Ministry is anything like what he states, I can only say that he is absolutely misinformed, and I intend to establish that fact upon the official report of the Minister of Overseas Service. It would be impossible for that minister to so increase the staff without the approval of the Governor in Council, and the approval of the Governor in Council has not been given to any such condition as the hon. member (Sir Sam Hughes) represented.

The order in council which established the Ministry of the Overseas Forces was passed on the 28th day of October, 1916. The office of Parliamentary Under Secretary of the Militia Department had been previously established, on the 15th day of July, 1916. The order in council establishing that office recited the increased duties of the Minister of Militia and Defence owing to the war, that his duties frequently occasioned his absence from the seat of Government, and that during his absence it was necessary to appoint some other minister to discharge his duties. The conclusion was reached that it would be desirable to establish the office of Parliamentary Secretary who could assist the Minister of Militia and Defence and, within certain limits act for him during his absence. The Ordinance which established the office of Parliamentary Secretary is as follows:

1. During the continuance of the present war the Governor in Council may from time to time appoint a Senator or a Member of the House of Commons to be Parliamentary Secretary of the Department of Militia and Defence;

2. The Parliamentary Secretary shall, with respect to the Department of Militia and Defence, perform such Parliamentary duties as may from time to time be assigned to him by the Governor in Council.

3. The Parliamentary Secretary shall ex officio be a member of the Militia Council and in the absence of the minister he shall act as chairman thereof.

4. In the absence of the minister from Ottawa, the Parliamentary Secretary shall preside over and administer the Department of Militia and Defence, but he shall not make any change in the policy of the department without the authority of the Governor in Council.

5. In the absence of the Minister of Militia and Defence, and subject to the approval of the Prime Minister, the Parliamentary Secretary shall have authority to report to and make recommendations to the Governor in Council through the Prime Minister;

6. The Parliamentary Secretary shall perform such other duties as may be assigned to him by the Governor in Council;

7. Until Parliament otherwise provide, the Parliamentary Secretary shall hold his office, commission or employment without any salary, fees, wages, allowances, emolument or other profit of any kind attached thereto.

The ordinance establishing the office of Parliamentary Under-Secretary of State for External Affairs was approved on the 16th day of July, 1916, and it recited the increased demands upon the time and energies of the Prime Minister through the conditions created by the war.

It is as follows:

Regulations respecting the Parliamentary Under Secretary of State for External Affairs.

1. During the continuance of the present war the Governor in Council may from time to time appoint a Senator or a member of the House of Commons to be Parliamentary Under Secretary of State for External Affairs.

2. The Parliamentary Under Secretary shall, with respect to the Department of External Affairs, perform such Parliamentary duties as may from time to time be assigned to him by the Governor in Council.

3. The Parliamentary Under Secretary shall, subject to such instructions as may from time to time be issued by competent authority assist the Prime Minister in administering the Department of External Affairs, and may, subject to the approval of the Prime Minister, conduct such official communications between the Government of Canada and the Government of any other country in connection with the external affairs of Canada, and perform such other duties in the said department as from time to time may be directed.

4. In the absence of the Prime Minister, the Parliamentary Under Secretary shall, subject to the direction and approval of the Acting Prime Minister for the time being, preside over and administer the Department of External Affairs; and in such case he shall have authority to report to and make recommendations to the Governor in Council through the Acting Prime Minister.

5. Until Parliament otherwise provide, the Parliamentary Under Secretary of State for External Affairs shall hold his office, commission or employment without any salary, fees, wages, allowances, emolument or other profit of any kind attached thereto.

(Signed) Rololphe Boudreau,
Clerk of the Privy Council.

In the discussion upon the resolution, I went pretty fully into the necessity for these offices, and I have very little to add. It is perfectly manifest that the affairs of the overseas forces require constant and unremitting care and attention. The very fact that the Minister of Militia and Defence was obliged every year to spend a considerable portion of his time in Great Britain is the best evidence that some system other than that which had prevailed in the past was absolutely necessary if we were to secure, first, perfect co-operation of effort with the British Government; second, the greatest possible efficiency of our troops, and, third, the most thorough economy in administration. That was the purpose of this appointment, which purpose, I think, fully justifies it.

The office of parliamentary secretary of Militia and Defence was established before the Overseas Ministry was created. It is, even since the establishment of that ministry, a very necessary office. The proper conduct of our military affairs, with more than 400,000 men enlisted, with 330,000 men or thereabouts, dispatched overseas, with need for the constant vigilance and attention of every one officially connected with the administration of military affairs, fully justifies the continuance of the office after the Overseas Ministry was established.

I have already said that the work of the Department of External Affairs increased beyond what any one could imagine who had not been closely in touch from day to day with it. I venture to say that the work of that department has increased twentyfold since the outbreak of war. I think that hon. gentlemen in this House will credit me with the desire to put all my time and energies into the discharge of the duties of my office; yet, I repeat what I said on the discussion of the resolution: that my only regret is that I did not establish that office a year or two ago.

We provided in those Orders in Council that none of these offices should have attached to it any salary or emolument until Parliament should determine that the proposed salary or emolument might properly attach. It is clear that the salary we are proposing is a reasonable one. The salary attached to the office of the Minister of Overseas Military Affairs is precisely the same as is fixed by statute for other ministers of the Crown. As far as the parliamentary secretaries, are concerned we had no precedent in this country, and we fixed upon $5,000 per annum, which is the salary payable to the permanent head of the department. I am entirely within the judgment of the House when I say that I do not think the salary thus fixed could be regarded as excessive.

My hon. friend (Mr. Graham), and I think also the hon. member for Rouville (Mr. Lemieux), spoke of the salary, and I could not gather precisely from the remarks of either gentleman just what he proposed. On the one hand, they said it was undesirable that an office should be established without having a salary attached to it, because they declared that otherwise only men of wealth could assume such an office. I entirely agree with that, and it is for that reason that we have attached salaries to these offices. But then, almost in the same breath, they go on to argue that the men who are holding these offices should not be entitled to a salary. Their arguments are thus absolutely inconsistent. I hold that it is proper that salaries should be attached to these offices, and for the very reason cited by the hon. member for Rouville and by the hon. member for South Renfrew, that the choice may not be restricted to

those who are able to accept them without salary or emolument. As to the acceptance of the salary or emolument, and the disposition of it after it has been paid, that is not a matter for the House or for the public; it must rest with the judgment of the gentleman who holds the office.

The hon. member for South Renfrew (Mr. Graham) referred to the fact that in the sections of the Bill which establishes the office of Under Secretary of External Affairs, and the office of Parliamentary Secretary of Militia and Defence, the secretaries are spoken of as ministers of the Crown. That language is entirely the work of the Parliamentary Counsel, to whom I entrusted the duty of preparing the resolution and also of preparing the legislation based upon it. I have not had an opportunity since six o'clock of full discussion with him in regard to it, but he informs me that in using this language he followed British precedent; that parliamentary secretaries in Great Britain are technically ministers of the Crown, and that therefore he thought it desirable to employ that language.

Sir SAM HUGHES: Are they members of the Cabinet?

Sir ROBERT BORDEN: They are not. My hon. friend (Mr. Graham) apparently thought that both parliamentary secretaries were members of the Privy Council, but that is not so, and they do not attend the deliberations of the Privy Council. I shall give my attention to the report which the parliamentary counsel will make to me, as to the advisability of using the expression "Minister of the Crown" in this legislation.

The only other point upon which I desire to say a word is the suggestion that those gentlemen should not retain their seats in Parliament after acceptance of office with the proposed salaries. I should like to submit to hon. gentlemen that it would have been folly for us to appoint a Minister of the Overseas Service to discharge the important duties which are set out in this order in council, and then to bring him at once to Canada for two, or perhaps three months, in order that he might engage in the delights of a contested election. It seems to me this is about the last course that any reasonable man would have expected the Government to take. I have not the slightest hesitation in saying that I never thought for one moment, of taking any such course. In the interests of this country, in the interests of our overseas forces, and especially in the interests of the men who are fighting at the front, is it not better that the Minister of the Overseas Forces should be discharging the duties of his office, where they could best be discharged, rather than that his time should be occupied in running an election in this country?

Some hon. MEMBERS: Hear, hear.

Sir ROBERT BORDEN: There is only one answer to that question, and I have no apology to make for the proposal that I am now placing before Parliament. It is not only a reasonable proposal, but the only proposal that I could or should make, and we have ample precedent for it on the other side of the water. When Mr. Asquith formed the first coalition government in the spring of 1915, not a single member accepting office in the Government was called upon to go to the people. I have in my hand the statute, passed on the 18th December, 1916. under which the ministers of the Crown in Great Britain to-day hold their seats in Parliament. It reads:

> 1. Notwithstanding anything in any Act, a member of the House of Commons shall not vacate his seat by reason only of his acceptance, at any time during the months of December, 1916, and January, 1917, of an office of profit, if that office is an office the holder of which is by law capable of being elected to, or sitting or voting in, that House.

So that in December, 1916, and January, 1917, in the exigencies of this war, and in order that the King's Government might be carried on without interruption, it was provided that some twenty-five or thirty gentlemen holding seats in the House of Commons, whose seats under ordinary circumstances would have been vacated by the acceptance of office, should not vacate those seats, although they accepted office. It is upon that principle (acted upon on these two occasions to an infinitely greater degree than anything that is proposed here) that I am asking the House to enact that, notwithstanding the fact that these gentlemen are members of the House of Commons, they may accept the salary which is now proposed, without its being held that they vacated their seats in this House, or that they thereby became ineligible for sitting or voting in the House of Commons. And when the hon. gentleman (Sir Sam Hughes) refers to the United States and Great Britain as the only two great democracies of the world that have existed for more than a hundred years, I should like to point out that he destroys his contention that the enactment of this legislation creates an autocracy. I cannot see anything in this legis-

lation which tends, in the least, to the creation of an autocracy, but if the United States be one of the great free democracies of the world, as undoubtedly it is, every hon. gentleman who knows anything of the constitution of that country knows that the members of the Government of the United States do not sit in the Congress at all. They do not require to run an election, or to go to the people for a mandate. We are not departing from any principle of the constitution, because there is nothing in the British North America Act that touches this matter one way or the other, so far as I remember. We are departing, to this limited extent, from the provisions of chapter 10 of the Revised Statutes of Canada, but we are following a very good precedent in British practice.

Sir SAM HUGHES: This arrangement continues only to the end of the present war?

Sir ROBERT BORDEN: Yes. The hon. gentleman from Rouville (Mr. Lemieux) went into a long story, in which he was very much astray in his facts, as to Sir George Perley. Sir George Perley went across the ocean to discharge the duties of High Commissioner in June, 1914. My hon. friend refers to his having travelled backward and forward several times since. He has been back only once since, and that was during last year. The rest of the time he has been discharging the duties of High Commissioner, and, during the past eight or ten months, the duties of Minister of the Overseas Service. Some other hon. gentleman took the ground that we should have, in the position of Minister Overseas, a man of military experience. The Minister of Militia and Defence here in Canada, or the Minister of Overseas Service in Great Britain does not require to be a man of military experience. It is a civil office, just like any other office in the Government. Lord Derby, Minister of War in Great Britain, is not a professional soldier, so far as I am aware, nor do I know that the Minister of Militia and Defence in any of the great dominions of the Empire is a man of military experience.

The discussion which has taken place with regard to General Gwatkin is very largely irrelevant, because he is not under the jurisdiction of the Minister of the Overseas Service, but under the jurisdiction of the Minister of Militia and Defence here. So far as I know anything of General Gwatkin, he is very capable and very industrious, and I certainly never heard until to-day that the British Government declined to recommend him for the position which he now holds. I know that in September or October of 1916 he was very anxious, indeed, to be returned for duty to Great Britain, and he practically insisted upon the acceptance of his resignation at that time. Moreover, it should be borne in mind that, as far as the training of troops in this country is concerned, we have had two inspectors-general: General Lessard and General John Hughes. Besides this, every training camp in Canada has been under the direction of the most experienced and competent officer we could find who is on the spot all the time. I cannot enumerate all, but I remember a few of them at the moment: General Wilson, who was at Valcartier; General Logie, whom I met at Niagara and who was afterwards, I think, at Camp Borden; General McLean, and others.

The overseas command is vested at present in General Turner, who commands all our troops in Great Britain. I am sure that no hon. gentleman in this House would think for a moment of questioning either the experience or the ability of General Turner. He has made a distinguished name for himself not only in this war but in South Africa as well. I am in a position to state, so far as all military matters are concerned, that Sir George Perley acts by the advice of General Turner, with whom he is in constant consultation.

There was some suggestion that Sir George Perley desired greatly to have the position of Minister of the Over-
9 p.m. seas Service. I should like to disabuse the minds of every member of this House on that question. Sir George Perley did not desire that position; he accepted it only at my urgent request. It imposes upon him very onerous and severe duties; and those duties he has discharged, in my opinion, with great ability.

Some hon. gentleman suggested that if there was to be a Minister of Overseas Service we should appoint General Turner. General Turner has direction of all military affairs and he fills his office with very great ability indeed. But if we should appoint General Turner, then, according to the arguments to which we have listened this afternoon, we should immediately require General Turner to come back to Canada and spend two or three months here for the purpose of running an election, instead of attending to his duties overseas. The very suggestion seems to show the lack of force, to use a very mild term, in the argu-

ment which has been put forward in that respect.

Reference has been made, also to the fact that this statute is to be regarded as retroactive. I could not come to Parliament before Parliament was in session for the purpose of having this legislation enacted. When Parliament did assemble we advanced the date of the session for the reason that I had to leave on a very important mission for Great Britain. There was not time or opportunity to bring the resolution down at that time, but as soon as I returned in May last I had it placed on the Order paper. Under the circumstances it seems to me that the course which I took is not susceptible of the slightest criticism. I think, therefore, that the Bill is entitled to the support and approval of hon. members in this House, and that, in the conditions under which it is presented, there ought to be no criticism of the principle embodied in it.

Mr. LEMIEUX: Can my hon. friend give the dates of the respective appointments and the amounts of the emoluments?

Sir ROBERT BORDEN: The emoluments are at the rate of $7,000 a year in the one case and $5,000 a year in the other.

Mr. LEMIEUX: For how many years in the case of Sir George Perley?

Sir ROBERT BORDEN: Since he took office. In the case of the Minister of the Overseas Military Forces, from the 31st day of October, 1916; in the case of the Parliamentary Secretary of the Department of Militia and Defence, from the 19th day of July, 1916; in the case of the Parliamentary Under-Secretary of State for External Affairs, from the 21st day of October, 1916. These were the dates upon which these gentlemen were sworn into office.

Motion agreed to, on division, and Bill read the second time.

The House went into Committee on the Bill, Mr. Rainville in the Chair.

On section 1—Appointment of Minister of Overseas Military Forces.

Sir ROBERT BORDEN: Section 1 will stand until we see the report of the Parliamentary Counsel as to the use of the words "minister of the Crown."

Section stands.

On section 2—Appointment of Parliamentary Under-Secretary of State for External Affairs.

Sir ROBERT BORDEN: This section also will stand, for the same reason.

Section stands.

On section 3—Salaries.

Mr. PROULX: The Prime Minister has said that the under-secretaries would not get the salary of the heads of departments. The under-secretary, however, gets sessional indemnity besides the salary here set forth.

Sir ROBERT BORDEN: Yes.

Mr. PROULX: Evidently that was not taken into consideration.

Sir ROBERT BORDEN: Oh, yes, we took that into consideration.

Mr. PROULX: Then the amount of remuneration is more than the salary of the heads of the departments.

Sir ROBERT BORDEN: For the performance of official duties, it is the same.

Mr. PROULX: If the two are added together, the amount of remuneration is $2,500 more than the salary of the heads of the department.

Sir ROBERT BORDEN: The $2,500 is supposed to be an indemnity, not a salary.

Mr. MACDONALD: Is there to be any provision for the salaries of persons who may be necessary in connection with the organization of the ministry overseas? Is it intended to provide for any statutory officials to act in conjunction with the minister?

Sir ROBERT BORDEN: I understand that my hon. friend refers, for instance, to a deputy minister. There is a deputy minister; Colonel Walter Gow, of Toronto, is appointed to that office. That is authorized by Order in Council. The ordinance which created this office permits the Minister of Overseas Service to make recommendation to the Governor in Council for the appointment of any persons necessary for the organization of his department. I am not aware at the moment of any new official in important position except Col. Walter Gow, Colonel McRae who was Quartermaster General, General Foster, who was head of the Army Medical Service, Colonel Thacker who was Adjutant General, and Colonel Ross of Montreal, who was made Paymaster General, were all acting at the time Sir George Perley was appointed.

Sir SAM HUGHES: Colonel Thacker was not appointed at the time Sir George Perley was appointed.

Sir ROBERT BORDEN: Where was he?

Sir SAM HUGHES: Heaven knows. Neither was Colonel Gow.

Sir ROBERT BORDEN: I explained that.

Mr. MACDONALD: We are creating a new department overseas, and we are leaving to the minister of that department, by Order in Council, through the Government of the day, to appoint such officials as are necessary in the department. I presume what has occurred is this: that since Sir George Perley was made Minister of Militia Overseas, last autumn, a number of officials have been appointed under his recommendation, who will go to make up the personnel of the official staff. It would be desirable if the Prime Minister, before the Bill comes back to committee, would give a statement showing exactly who those officials are. There are also a large number of people, whom the ex-minister spoke about last week when I was not here, who are employed in connection with the administration of affairs by Sir George Perley as Minister of Militia Overseas. It is desirable that the House and the country should know how many of those men attached to that department do purely civil work and how many of them do military work. I understand from the Prime Minister that General Turner is in command of the military side of the department, and there will, of course, be, just the same as there are here, a number of officials whose duties are purely civil, that is to say, who will look after certain matters which a man need not have military experience to look after. Then there are a large number of people who are attached to the department for military purposes. Where is the line drawn, and who are those who are attached to the department in connection with civil matters?

Sir ROBERT BORDEN: We can, without any difficulty, secure the information for which my hon. friend asks.

Mr. LEMIEUX: My right hon. friend is rather severe about a remark I made on this subject. He stated a moment ago that I had made a rash statement, but he will pardon me if I am under the impression that this is a breach of our Parliamentary constitution. I always understood that the moment a member of this House became interested in a contract or in receipt of emolument, from that very moment, according to time-honoured practice of British parliamentary institutions, he had to resign and seek re-election. It is true the right hon. gentleman states that, as we are at war, it would not be the proper thing to compel Sir George Perley, the new Minister of Militia Overseas, to spend three months running for election. Does the right hon. gentleman not think, after having spoken of my humble self as making rash statements, that he has been rather overreaching himself? I am quite sure it would not have been difficult for Sir George Perley to be re-elected, possibly by acclamation, as it is the practice with new ministers—with the exception of the Minister of Inland Revenue (Mr. Sévigny) last winter. It is true the latter was not elected by acclamation, but the election campaign took only a month, and he was re-elected. All the other ministers, the late Mr. Casgrain, Mr. Patenaude, and the ministers who preceded them in the Cabinet went back before their electors, and there was no difficulty about their re-election. Most of them were elected by acclamation.

Sir SAM HUGHES: Was not the Minister of Militia in Canada (Sir Edward Kemp) also elected by acclamation?

Mr. LEMIEUX: Certainly. My hon. friend (Sir Edward Kemp), who protested some months ago that there never was a truce in Canada since the war began, was elected by acclamation in the good old city of Toronto. Nobody thought, during the war, of opposing his election, and if an opposition was made to the election of the Minister of Inland Revenue, it was for good and just reasons. I am sincere in renewing my protest, because I believe that the right hon. gentleman is creating a dangerous precedent.

When the Hon. Timothy Anglin was Speaker of the House, because the paper with which he was connected had received a few dollars' worth of advertising, he was obliged to resign while he held the Speakership and to go before his electors. The late Senator Corby, if I mistake not—and my right hon. friend will correct me if I am wrong—who was a member of this House when I was elected in 1896, was obliged, because a few gallons of methylated spirits had been sold from his distillery to one of the departments to return to his electors. There are many other precedents. Yet here is Sir George Perley appointed Overseas Minister of Militia and voted a salary by this House, and he retains his seat in Parliament. It has been stated by my right hon. friend that Sir George Perley will

refuse to accept the salary, and I am sure that will prove to be the case, but Parliament grants a salary to Sir George Perley and he should obey the constitutional rule. We are appointing two secretaries, one of whom it is true says he will not accept an emolument, and by a stroke of the pen we enact that they may not return to their electors. My right hon. friend may think I am rash; he may think I am simple; but in my opinion it is one of the precious privileges of the British constitution that no member of the House of Commons can take an office of emolument until he first seeks re-election.

This is a time-honoured practice, and I wish to protest most strenuously against the precedent now created.

Why make this legislation retroactive? It has been the practice of the House to frown upon retroactive legislation, because it is unjust, unfair, and against parliamentary precedent. In this case we are asked to ignore the usual practice. The other day I asked my right hon. friend if Sir George Perley, who is a minister of the Crown, but practically irresponsible to this Parliament, inasmuch as we never see him in the House of Commons, had made any reports, or written any letters, or made any recommendations and the right hon. gentleman answered in the affirmative. I asked that those reports, letters, and recommendations be laid on the table of the House, to this the right hon. gentleman did not make a rash answer, but he made an evasive answer—he would inquire, he would see, he would consider. As this is a new department, it seems to me Parliament is entitled to know the scheme of its organization; the number of its officials, their qualifications, and their jurisdiction. We ought to have a report of this minister, as we have from every responsible minister of the Crown. We are told the overseas Minister for Militia and Defence has been acting as such since 1916. It is now 1917, and we have no report from Sir George Perley, except the information that he has suppressed the second report of Dr. Bruce. We are entitled to know what have been the activities of the new minister overseas. My right hon. friend should bring before the committee the information asked by my hon. friend from Pictou, and at the same time the information I am now seeking. Meanwhile this clause should stand.

Sir ROBERT BORDEN: I do not think the matters to which my hon. friend from Rouville (Mr. Lemieux) alludes have any special relevancy to this clause or to any other. With respect to what he has said in regard to the statute being retroactive, I would like to point out that the English statute I quoted was retroactive in the same sense. It was passed on December 18th, 1916, but inasmuch as some of the ministers had accepted office in the meantime, and would therefore without this statute have vacated their seats in Parliament, it was provided in subsection 3 of section 1:

> This Act shall be deemed to have had effect as from the first day of December, 1916.

Because ministers had taken office in the meantime it was necessary to guard against the vacation of their seats, so the Act was made to relate not to the 18th day of December, when it was passed, but to the first day of December.

Mr. LEMIEUX: I am sure the right hon. gentleman will not contend that there is a parity between the two cases. I have no recollection of the Asquith Government having made use of this new legislation, but in the case of the Lloyd George Government I know that the rule, or the practice, or the custom, was suspended, and the ministers were not obliged to seek re-election. Surely my right hon. friend will not say that the condition here is analogous. There was a crisis in England. The whole world was awaiting with anxiety the formation of that new government. For a few hours, or a few days, the affairs of the British Empire were paralyzed on account of that ministerial crisis. It was the climax of one of the greatest parliamentary crises that ever arose in the British Empire, and for that reason the common sense people of England understood perfectly well that they could depart from the time-honoured practice. I will not say there is not a crisis here, because we all know the Government is moving in troubled waters just now. At the same time there is no ministerial crisis in the sense I have just indicated. Sir George Perley has been in England since 1916, acting as Overseas Minister, and nothing to require this legislation has ruffled the surface of political events in Canada. The gentlemen who are to be under-secretaries have been in the House of Commons, and they have had repeated occasions to return to their electors if they were to be recipients of these emoluments. In the British case, it was by reason of a great Imperial crisis, but in this case I am afraid it is only the payment of a political debt. Without in any way disparaging the new appointees, I look around me and see many gentlemen who have been as faithful followers as good fighters, and as

good parliamentarians as the three gentlemen who have been selected as advisors of His Majesty in the Borden Government. I see my good friend from Perth North (Mr. Morphy); I see my good friend from Frontenac (Mr. Edwards); I see my silent friend from Algoma (Mr. Boyce)—all old and tried members of the House. Why were they not selected? They were just as much entitled to that recognition as the three gentlemen who have been chosen. Sir George Perley is a millionaire. He would have been well satisfied with being a minister without portfolio.

The hon. member for Shelburne and Queens (Mr. McCurdy) and the hon. member for North Bruce (Mr. Clark) are comparatively new members of the House. There are old and tried members of the Conservative party who might as well be selected. The hon. member for Bruce admitted this afternoon that he was having a good time writing political pamphlets and preparing campaign literature.

Mr. GLASS: No, he did not.

Mr. LEMIEUX: Surely the Prime Minister will not, under the very trying circumstances through which Canada is passing, vote out of the moneys of the people $5,000 to a gentleman who spends his time preparing political literature.

Sir SAM HUGHES: Mr. Speaker, I would not have put myself to the trouble of saying anything further on this question had it not been for the references made by speakers here to-day to General Gwatkin. I would not have brought up now any question with regard to General Gwatkin had it not been that during the recess of the House for the dinner hour I learned that for upwards of two years a systematic effort has been made in certain quarters to win credit for the work that I have done and to deprive me of my rights in regard to carrying on the important work in connection with the war.

Mr. LEMIEUX: Louder, please.

Sir SAM HUGHES: I beg pardon.

Mr. LEMIEUX: Louder.

Sir SAM HUGHES: I do not know what you are saying.

Mr. LEMIEUX: Speak louder.

Sir SAM HUGHES: I wish to say, in regard to the remarks made by the hon. member for Calgary (Mr. Bennett) in his speech to-day that I never directly or indirectly conveyed to the hon. member for Pictou (Mr. Macdonald) any statement in connection with General Gwatkin. I will not enter into the discussion of the General Gwatkin matter other than to say that his actions were such from the constitutional viewpoint that I had to submit a statement to the Prime Minister to prevent any of my officers, under pain of dismissal, from reporting, to any one, without my authority, matters that transpired in the Militia Council to any one, no matter how distinguished an officer he might be. That was accepted as a proper principle. I shall not refer to it further; the Prime Minister knows to what I am alluding. I found myself thwarted in very many ways. When General Mackenzie was there he arrogated to himself the absolute right to carry on the training of the troops in this country, to lay down the syllabus of the training course, and to adhere to it without reference to the Minister of Militia. The minister had nothing to say. That matter was very quickly rectified. I do not want to deprecate officers like General Mackenzie and General Gwatkin, but they have had opportunity of testing themselves on the level with our Canadian boys who have gone to the front and in every solitary instance the soldiers and officers who have been sent from Canada have measured up and have shown themselves to be infinitely superior to the men under whom they would have been serving overseas if it had not been that I insisted that we should have our own officers to carry on this work. Now, just a word in connection with General Gwatkin and the training of the troops. He had nothing to do with the training at Valcartier, or with the system, for that is something for which I myself claim credit. I gave the matter my personal attention. The first troops were trained entirely under my system and in almost every instance under my own personal supervision and by myself. They were the finest troops in the Empire, and they proved themselves to be the finest troops in the world.

Reference was made by the hon. member for Calgary (Mr. Bennett) to my having taken trips backwards and forwards across the country. I am happy to say that I could name nearly every officer of the rank of captain and upwards and recognize him when I met him. I can do so even to-day. I assumed the responsibility of saying that when the lives of our fellows were being placed in the hands of others the men in charge should, as far as possible, be the best men obtainable for the jobs, and I took the responsibility of carrying that out. I challenge the world to show where, in any

instance, I gave any reports to the press, or advertised myself. It is true I did some things that even the newspapers, subsidized as many of them are, recognized and noticed.

What about the hon. member for Calgary? I had the honour of visiting his city two or three years ago. I purposed visiting Lethbridge on this day. The storm had made it impossible to go to Lethbridge, and at Medicine Hat I changed route and went on to Calgary. I reached Calgary at twelve o'clock and I was met on the platform by an officer of the Canadian Club. He asked me if I would address the Canadian Club. Nobody knew I was coming, as I had not communicated with any one excepting Colonel Cruikshank. When I was asked to address the club I said that there was no time. Notwithstanding the fact that the hon. member for Calgary, being a friend, and all that sort of thing, and, I presume, desiring to assist me, had removed his person from any possibility of meeting me and was passing around the town asking his friends to absent themselves, I had the honour of addressing the largest Canadian Club meeting ever held in the city of Calgary and that after only two and a half hours' notice. That night in the hon. gentleman's own city I had the honour of addressing 5,000 people assembled in a large building with the thermometer at the zero point all evening. I have received thousands of invitations to advertise myself, if I wanted to. I have received upwards of 2,000 invitations to speak in Canada within the year and nearly as many to speak in the United States. I have not accepted them. But my good friend (Mr. R. B. Bennett) constituted himself the head of the National Service Commission and, with the Prime Minister perambulated through this country from the Atlantic to the Pacific. If I were in that hon. gentleman's place, I would never be found insulting the intelligence of the Dominion House of Commons by standing up in my place and addressing them on any subject. This is the gentleman who made such an exhibition of himself and who was such a failure as the head of the National Service Commission which has been wasting the country's money in thousands and tens of thousands of dollars perambulating up and down the country. He wound up with a meeting in the great Massey Hall in the city of Toronto. Not content with having that hall, he arranged for an overflow meeting in the great Metropolitan church and for another in the Orange hall adjoining. He is the hon. gentleman who has brought bad luck to every undertaking, every interest, every man with whom he has been associated. When the night came for the meeting in the great city of Toronto only two-thirds of Massey hall was filled and the meeting was carried out by rushing an order out to the barracks and rounding up 2,000 or 3,000 troops at the last minute to make a quorum. There was no meeting at all in the great Metropolitan church and the doors of the Orange hall were not even opened. This hon. gentleman stands as the head of a commission that for nine months held up the boys in the trenches. There never was an institution in Canada that had as loyal support from the people as had this gentleman and his commission. We were all doing our best for him. He stands as having been the head of the greatest failure that ever occurred in the public life of the Dominion of Canada.

Mr. SINCLAIR: The question seems to be largely one of salaries, that is as to the Bill being retroactive. The House and the country were informed, when these gentlemen took office, that they were not to receive any salary, and as a result of that the election was dispensed with. If they do not require the salary for the months that are past, then there can be no good reason why the well-known rule should not be observed now, and why they should not go to the country and be ratified by the electors in the usual way. It is altogether for the purpose of giving a salary to these hon. gentlemen for the past months that this retroactive feature is necessary in the Bill. If the Prime Minister would decide to dispense with the payment of salaries for the time that has passed, there would be no necessity of this feature to which so much objection is taken.

The point may be taken that an Overseas Minister will only create disputes and confusion. That has been the experience so far. The Department of Militia was running along smoothly, so far as I can learn, up to the time when the Overseas Minister was appointed. Then the position was divided into two and friction developed, and many of the troubles that have arisen in that department since that date were caused by there being two heads—and we are now proposing to have a third. The ex-Minister of Militia (Sir Sam Hughes) has pointed out more than once that the Minister Overseas has been a very expensive man, that he has appointed a very large number of officials, who were un-

necessary, according to the statement of the ex-minister. He told us some days ago that a staff of 50 men were doing the work prior to Sir George Perley's appointment, and that that number has since been increased to 1,200. No explanation has been given of that enormous increase. We have had no explanation of the reckless character of this gentleman who is our Overseas Minister. Before the Bill passes we should have a full statement of the names of all the officials appointed by the Overseas Minister, with the salary paid to each. That makes the Bill a serious one.

Sir SAM HUGHES: I did not go into details of the matter, but by establishing a new ministry overseas all the offices here, such as that of deputy minister, Quartermaster General, and so on, have been duplicated, and so these extra people have been employed. That is owing to the existence of the office.

Mr. SINCLAIR: That means a very serious additional expense to the country. The duties of an officer overseas would seem to be of a military character; the direction of civil affairs in connection with the war comes from this side. The Prime Minister has told us that the Minister Overseas has not power to make appointments, and that anything of special importance is referred to the Government. The Prime Minister has not explained why he has decided to ignore the constitution. The fact that it is inconvenient for Sir George Perley to cross the Atlantic to run an election is not a sufficient reason. We have 14 or 15 other ministers who could represent Sir George Perley in his constituency. The candidate does not need to be present. The Prime Minister has not explained why the under-secretaries do not appeal to the electors for ratification. Even if it would be inconvenient for Sir George Perley, it would not be for the under-secretaries, and the House should have a fuller explanation when we are asked to take an important departure and to violate the usual election law and the constitution. The Prime Minister has given no reason for the under-secretaries not being re-elected.

Sir ROBERT BORDEN: The Parliamentary Counsel informs me that in Great Britain the parliamentary secretaries do not have to go up for re-election. In this case, and especially during the war, I thought it desirable to insert this clause for greater precaution, particualrly as our statute is not in precisely the same language as the British statute.

[Mr. Sinclair.]

Mr. LEMIEUX: Do they get any salary in England?

Sir ROBERT BORDEN: Yes.

Mr. A. K. MACLEAN: They are not ministers of the Crown, are they?

Sir ROBERT BORDEN: They are. The distinction in Great Britain is that they are supposed to be appointed by the minister under whom they serve, and therefore, not being appointed by the Crown, they do not have to go back for re-election because they do not hold offices of emolument in the technical sense required by the British statute.

Mr. SINCLAIR: Our parliamentary secretaries are appointed by the Crown, and are made ministers of the Crown. It is a departure which I think is not a wise one, nor is it justified by the condition. I do not think the Prime Minister should be so frightened of the electors as to take such a course as this. I do not think it will be popular in the country. The fact that the under-secretary in Great Britain is appointed by the minister may be a reason why he should not have to appeal to the electors. But we are here introducing a new system, and I do not say it is a bad system. Both sides have on various occasions discussed this question, and it has met with a good deal of approval. But, now that we are embarking on it, I think we should follow the constitution, and require under-secretaries, appointed by the Crown to hold the position of minister of the Crown, to go to their electors.

Sir ROBERT BORDEN: We are making a temporary arrangement, to last only during the war, and I thought, under war conditions, it was a very proper proposal to lay before Parliament.

Mr. LEMIEUX: As a corollary of this, the Solicitor General was obliged to go before the electors, and he was not then a member of the Cabinet. He was in receipt of the same emolument as the under-secretaries will receive, and yet he was obliged to seek re-election.

Sir ROBERT BORDEN: The statute requires it.

Mr. LEMIEUX: Why not in this case?

Sir ROBERT BORDEN: I have explained that.

Mr. PUGSLEY: It seems to me that, before the House is asked to pass the section providing for the salaries of overseas ministers, the Prime Minister owes it to the

committee to make some inquiry in regard to the statement which has been made by the ex-Minister of Militia (Sir Sam Hughes). He has made the statement, which I am sure, will surprise the country very greatly: that the Militia Department in England at the present time has upwards of 1,200 people in its employ, whereas, previous to the overseas minister being appointed, General Carson did just as effective and thorough work, and rendered just as much service to the country, with a staff of fifty or sixty.

Sir GEORGE FOSTER: Just as much work?

Mr. PUGSLEY: Just as much necessary work, yes.

Sir GEORGE FOSTER: The same work?

Mr. PUGSLEY: That, I take it, is the statement.

Sir GEORGE FOSTER: Does the hon. gentleman believe that?

Mr. PUGSLEY: We have that statement. It is an extraordinary increase from fifty or sixty people, doing all necessary work under General Carson, in England, for a period of upwards of two years, efficiently, without any complaint so far as I have ever heard, and the statement will startle the country that the number of employees has been increased under Sir George Perley up to 1,200. It may be necessary. I do not know enough about the details to know whether it is necessary or not, but it strikes me as very extraordinary, and if the statement can be explained, I think we should have the explanation. The Prime Minister should inform the committee as to whether or not there are to-day, in the employ of the Militia Department under Sir George Perley, in the vicinity of 1,200 people. If there has been an increase, we are entitled to know the reasons for it.

With regard to the provision in the Bill that those gentlemen who are to be appointed under-secretaries, as well as the gentleman who is to be appointed Minister of Overseas Service, should not be required to get an expression of confidence from the electorate, I think it is very desirable to consider why the requirement was placed in the Elections Act. It is in order that the people in this democracy shall be afforded an opportunity of expressing their approval, or otherwise, of the appointment which has been made. The theory is that whenever any person is appointed a minister of the Crown, or appointed to any office where he is in receipt of a salary, he cannot be permitted to continue a member of the House of Commons without going to the people for approval of the choice which the Government has made in his case. Why should there be any difference in the case of these three gentlemen? I am unable to see why there should be a distinction. I was surprised that my right hon. friend rather invoked the United States constitution as a justification for his course. He said: The members of the Government in the United States do not occupy seats in the Congress at all. It has long been the boast of the people of this country that, although we have a Sovereign reigning over the Empire, and although the Governor General is the representative of the Sovereign, yet Canada is very much more democratic than the United States, and one evidence of the fact is that our law provides that when a man receives an appointment, he shall go back to the people, get in touch with the people, and be approved by them before he can take his seat in Parliament. I see no reason why that democratic principle should be violated, and I think the provision doing away with the necessity of these gentlemen resigning their seats and going to the people should be struck out of the Bill. We have in the law relating to the independence of Parliament the provision that if a man takes any minor office, if he becomes even a country postmaster, he must at once resign his seat. He cannot continue to sit in Parliament, if he holds any office and is in receipt of any emolument. The same law provides that he shall not be allowed to take his seat in the House of Commons, unless his appointment receives the approval of the people. I quite agree with the hon. members who have argued, on these grounds, that the Bill is exceedingly objectionable, and that these provisions doing away with the ordinary law bearing upon the subject, in reference to the right of the people to pass upon these appointments, should not be adopted by the committee.

Sir ROBERT BORDEN: What my hon. friend has said in regard to the information respecting the alleged employment of a very large number of persons in England beyond the number previously employed is quite reasonable. I shall be prepared with an explanation before the Bill receives its third reading. In fact, I should have asked for specific and definite

information by cable before this, but I have been very much engaged in other matters, and it passed from my mind. I gave instructions this morning to cable to Sir George Perley, and I expect soon to obtain the information the hon. gentleman asks for. I do not know whether the hon. member was here when I referred to the Order in Council creating this office?

Mr. PUGSLEY: Yes.

Sir ROBERT BORDEN: That Order in Council requires the authority of council for the purpose mentioned; and based on that consideration, and knowing what has been done in that regard, I reached the conclusion, which I still entertain, that my hon. friend from Victoria and Haliburton (Sir Sam Hughes) was misinformed as to the alleged excess of employees which he mentions. I think my hon. friend (Mr. Pugsley) misunderstood my allusion to the United States. The United States was spoken of by the hon. member (Sir Sam Hughes) as one of the two great free democracies which had survived for over one hundred years, and, in the same breath, he said that the Bill created an autocracy, because these three ministers were not required to go back, during the war, for re-election. I merely pointed out in passing, by way of illustration, that United States ministers are not required to go to the country for election at all, and, therefore, it does not seem to be a necessary condition, if we grant the premises as laid down, namely, that they are one of the two great free nations, and an exemplar of the highest form of democracy.

Mr. PUGSLEY: My right hon. friend, perhaps, heard the Minister of Militia also state that Sir George Perley is occupying in the city of London some five or six buildings. The statement is very specific. I remember when my right hon. friend used to inform the House that there was no man whose statements were more to be relied upon than the ex-Minister of Militia.

Sir ROBERT BORDEN: I think I have heard my hon. friend say the same thing.

Mr. PUGSLEY: I have heard my right hon. friend say that the ex-Minister of Militia, when he was performing the duties of Minister of Militia, was one of the great military geniuses of the country, a gentleman whose word could always be relied upon. Well, the Minister of Militia, as a responsible member of this Parliament, has made the statement that five or six buildings in the city of London to-day are occupied by the enormous staff with which Sir George Perley has surrounded himself. My right hon. friend says Sir George Perley could not have done that. The ex-Minister of Militia says that he has done it. It is not the first time that things have been done on the other side with which the Government have not been entirely familiar. Perhaps the want of information on the part of the Government results from the overseas minister being so busy that he has not communicated with my right hon. friend on the subject. At all events, I am disposed to rely on that positive statement until it is authoratively denied.

Mr. LEMIEUX: I move that section 3 of the Bill be struck out.

Sir ROBERT BORDEN: For what reason?

Mr. LEMIEUX: Because it is a departure from the principles of parliamentary government, and because it is creating a very dangerous precedent. I believe that at least one of the two secretaries. the Under-Secretary of State for External Affairs—as was impliedly admitted this afternoon—instead of doing the work of that office, is preparing campaign literature. I am informed that one of the statements which appeared in the press this evening was issued by him yesterday—a very vicious statement, I must say, an appeal to the prejudices and passions of the people, in view of the next general election. On the whole, the right hon. gentleman has not given the committee and the country sufficient reason for this departure from a time-honoured constitutional principle.

Mr. MACDONALD: We must not forget that the statement was made to the Government press throughout this country when the announcement of the appointment of the under-secretaries was made that these gentlemen would serve without any compensation. To provide now for salaries seems to be a breach of faith with the public. In regard to Sir George Perley, I assume that he is drawing a salary as High Commissioner for Canada in London.

10 p.m.

Sir ROBERT BORDEN: Sir George Perley has never received any salary as High Commissioner for Canada in London. I have stated that in the hearing of my hon. friend at least half a dozen times in the last three or four years.

Mr. MACDONALD: We vote the money every year.

Sir ROBERT BORDEN: I am not speaking of what we voted; I am speaking of the fact that Sir George Perley has not received any salary, though he has been discharging the duties of High Commissioner. I gave this information two years ago in answer to an inquiry made by the member for South Renfrew (Mr. Graham), who then said that the fact should be made known throughout the country. He expressed appreciation of the fact that the duties of this office were being discharged without remuneration.

Mr. PROULX: If the gentlemen who occupy these positions will not accept the salaries now being attached to them, why make the Bill retroactive—especially in view of the fact that it was announced in the party press that no salaries would be accepted? These gentlemen get the benefit of that announcement; they are credited with being very great patriots, doing the country certain service without remuneration. Now the Government wants the House to vote money to pay them for their services from the time they took office. As far as the Under-Secretary of State for External Affairs is concerned, I agree with the member for Rouville (Mr. Lemieux) that his time has been chiefly occupied in the writing of political literature and of articles for the Conservative press. He did that before he accepted the position for which a salary is now being provided. He used to write letters to the Toronto News— letters from an M.P.—abusing the Liberal party; he sent articles to the party press detrimental to the Liberal party and in favour of the Conservative party. If he is to be given a salary for his services, that salary should be paid not by the country, but by the Conservative party.

I have already explained to my right hon. friend (Sir Robert Borden) that salaries are attached to the offices for the reason that they might be filled by persons other than those who now occupy them.

Mr. PUGSLEY: Why make the Bill retroactive?

Sir ROBERT BORDEN: I think it is desirable that the salary should be attached to the office from the time the office was established.

Amendment (Mr. Lemieux) lost on division: yeas, 25; nays, 37.

Mr. LEMIEUX: I call your attention Mr. Chairman, to the fact that two hon. gentlemen directly interested in this matter have voted, the member for Bruce (Mr. Hugh Clark) and the member for Shelburne and Queens (Mr. McCurdy). That is, to say the least, contrary to the rules of the House and grossly imprudent on their part.

Sir GEORGE FOSTER: Is not my hon. friend interested, too?

Mr. MACDONALD: Who is head of the medical services in the Old Country?

Sir ROBERT BORDEN: General Foster.

Mr. MACDONALD: What position does General Jones occupy?

Sir ROBERT BORDEN: I am not sure what position he occupies at present.

Mr. MACDONALD: It was understood the last time we discussed the matter in the House that the Prime Minister would communicate with Sir George Perley as to the publication of Dr. Bruce's answer to the Babtie report. Has any communication been received from Sir George Perley?

Sir ROBERT BORDEN: I have already said that Sir George Perley has sent forward a statement which has not yet been received.

Section agreed to.

On section 4—Holders of certain offices not ineligible to be members of or sit in House of Commons:

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Lost.

Section agreed to on division.

On section 5—Salaries to be paid from first appointment:

Mr. McKENZIE: I think, from the disclosure made by the parliamentary undersecretary of state for External Affairs (Mr. Hugh Clark) this afternoon, this section should not be allowed to pass without protest. It is a most extraordinary thing that a minister of the Crown, as he is now by this retroactive legislation, should be obliged to admit here that instead of attending to the affairs of the country for which he is paid a fairly high salary of $5,000 a year, together with his indemnity, he is devoting his time to preparing literature in the interest of the Conservative party and of the Government. It is not a fair, square deal that, while I myself and other hon members on this side of the House have to do our own work in election matters or otherwise and sustain our cause the best way we can, with our own efforts and our

own little money, we should be called upon to pay the salary of a man on the other side of the House who is doing the Tory work. A couple of years ago I was in the county of Victoria helping to conduct a local election. I found in that county—and the fact has never been denied by the Minister of Public Works (Mr. Rogers) or any other minister who had to do with the matter—that the whole system of telegraph lines with all its official staff was turned into a huge machinery for the conducting of the election on behalf of the Tory candidate. The matter was brought to the notice of the minister; it was admitted it was bad, but he never called upon the man in charge of the system to return the moneys that had been collected. That is a case exactly similar to this, where the money of the country, money that every one, Grit and Tory alike, contribute is being used for election purposes. That is not fair. They had in that election a steamer, not only subsidized, but hired by the Government. The full cost of hiring the steamer and the full salaries of every officer aboard were paid by the Government of my right hon. friend. The steamboat, the officers and the whole outfit were used for at least a month, for the purpose of this election. I brought the matter to the notice of the Government and they said they were going to do something about it, but they never did anything. The officials received their pay; there was not even a reprimand given; it was regarded as just the proper thing to do. We are now going a step further. We are giving the dignity of the position of a minister of the Crown to a member of this House, and he has to acknowledge that, instead of doing anything that would be commensurate with the dignity of a minister of the Crown, he is grovelling down and muckraking for the purpose of slandering the Liberal party. That is the position for which we are voting him money. This purchasing of assistance of the press and otherwise with the public money is but a system and a policy adopted by this Government. The Government have bought the Halifax Herald. Does any one for a moment think that the gentleman who owned the Halifax Herald would have been made a senator and his paper bought were it not for the fact that he owned that paper? Nobody in the world would ever think so, or would accuse the Prime Minister of making such an appointment, were it not for the fact that, by buying the Herald, he had to take this appendage with it. The same thing happened in the county of Cape Breton, a part of which I represent. In the city of Sydney we have the Post, a good Tory paper. It had to be bought.

Mr. GLASS: There are some good Tory papers?

Mr. McKENZIE: Good of their kind. It had to be brought into line. It was deeply in debt. It was stated on the authority of the gentleman who was bought with it that it was $95,000 behind in working up the interest of the Tory party. The paper, however, was bought and with it the same sort of appendage as in the case of the Halifax Herald. Right in line comes the Bill that is before us to-night. It is said that the hon. member for Queens and Shelburne (Mr. McCurdy) wanted to be Speaker. Two men could not be Speaker at the same time, and when the hon. member for Cumberland (Mr. Rhodes) was made Speaker, of course something had to be done for the hon. member (Mr. McCurdy), and so he was appointed Parliamentary Secretary to the Department of Militia and Defence with a salary of $5,000. It is a well known fact that the hon. member for North Bruce (Mr. Hugh Clark) was going around his county saying that he had the promise of the Prime Minister that he would be appointed Minister of Militia. He was not appointed Minister of Militia, but over his head, when the time came and the ex-Minister of Militia (Sir Sam Hughes) went out, the hon. member for East Toronto (Sir Edward Kemp), the present holder, was appointed. The hon. member for North Bruce, of course, to whom this offer, according to himself, was promised, was very much disgruntled and disappointed, and something had to be done for him, and so he was appointed Parliamentary Under-Secretary of State for External Affairs. The country has to stand the brunt and pay the money.

Mr. LEMIEUX: He voted for himself.

Mr. McKENZIE: Charity begins at home, and for that reason I do not want to blame him very much for voting for himself. He is the only real democrat in the crowd, and I sympathize with him. He is willing to take the money openly and above board, the others want to get it by some circuitous route, but they will get it all the same.

Mr. McCURDY: Do I understand the hon. gentleman to apply that remark to me? Does he say the other parliamentary secretaries want to take the money by some circuitous route?

Mr. McKENZIE: A guilty conscience needs no accuser.

Mr. McCURDY: I rise to a point of order, and I ask that the insinuation be withdrawn. I have no intention of taking remuneration for this office in any shape or form, and I think the hon. gentleman should withdraw.

Mr. McKENZIE: I said nothing to withdraw.

Mr. LEMIEUX: Why did my hon. friend vote for it?

Mr. EDWARDS: Did my hon. friend from Rouville (Mr. Lemieux) vote for an increase in the parliamentary indemnity? it is the same thing.

The CHAIRMAN: The hon. member for Cape Breton North (Mr. McKenzie) is an old parliamentarian, and should take the word of the hon. member for Queens and Shelburne—

Mr. McKENZIE: I did not say a word to him, not a word. There is an old story about a man who was in a court house—

Some hon. MEMBERS: Withdraw.

Mr. McKENZIE: I see that Rome is saved once more by cackle of the same old class.

Some hon. MEMBERS: Withdraw.

Mr. McKENZIE: Withdraw what? I was simply going to refer to a gentleman who was pointed out as a man with a fly on his nose. Of course, there was no fly on his nose, but he thought there was. If the hon. member for Queens and Shelburne (Mr. McCurdy) is the man with the fly on his nose—I cannot help it.

Some hon. MEMBERS: Order.

Mr. McCURDY: I rise to a point of order. If I understood the remarks of my hon. friend (Mr. McKenzie) aright, he insinuated that I wished to take this money by a circuitous route. I regard these words as entirely objectionable, and I would ask that they be withdrawn.

Mr. McKENZIE: I did not say at all that the hon. member was taking the money. There are thousands of such cases in Canada, and I say others take it by a circuitous route, as well as the hon. member.

An hon. MEMBER: Question.

Some hon. MEMBERS: Withdraw.

Mr. McKENZIE: What am I going to withdraw? I stand by the point that when people get money in an indirect way, it would be very much more honest and becoming for them to take it straight as it is voted for them. I have seen hundreds of them saying they were doing work for nothing, and when the accounts came in afterwards they amounted to ten times more than they would have if they were taking the money straight. If people are so very sensitive, it would be better for them not to be voting money to themselves, which they are not going to take. That is the question before the committee.

Some hon. MEMBERS: Withdraw.

Mr. McKENZIE: I will not withdraw anything. I have nothing to withdraw.

The CHAIRMAN: The hon. member should, I think, withdraw the insinuation that the hon. member for Queens and Shelburne would draw his money in an indirect way. The hon. member (Mr. McCurdy) has denied it.

Mr. McKENZIE: I was speaking of the principle.

Sir ROBERT BORDEN: I do not know what the hon. gentleman (Mr. McKenzie) intended to convey, but he certainly did convey to the members of the committee the direct insinuation that the hon. member for Queens and Shelburne (Mr. McCurdy), while pretending he would not accept this money, intended to get it by some indirect way. He either meant that or he meant nothing, and I believe the hon. gentleman cannot get out of it. I think he knows perfectly well he did mean that. It seems to me a very unworthy thing for the hon. gentleman to state. He has either said too much or too little. If he has anything upon which he can found an insinuation of that kind he should state it, if he has nothing upon which to found it then he should withdraw.

Mr. McKENZIE: I did not mean that the hon. member for Queens and Shelburne would get the money in any dishonest way, but it is my belief, whether it is proper or not, that he is not going to serve the country for nothing, and that directly or indirectly he will be paid for any services he gives the country. If there is anything unparliamentary in what I said before, I regret it and I take it back, but I believe we are not getting any services from anybody for nothing

Sir ROBERT BORDEN: I do not think the committee is very much edified by the observations my hon. friend (Mr. McKenzie) has seen fit to make. He has charged the Parliamentary Secretary for External Affairs with devoting his time altogether to preparing campaign literature, and has distorted what was said this afternoon into a supposed admission of that. It would be just as fair for me to distort what the hon. member for South Renfrew (Mr. Graham) said this afternoon into a supposed admission that when he was Minister of Railways and Canals he spent the whole of his time in writing editorials for Liberal newspapers. I would not for a moment suggest anything of that kind, and no hon. member would suggest anything of the kind, yet it would be absolutely on a par with what my hon. friend (Mr. McKenzie) has suggested with regard to the Parliamentary Under-Secretary for External Affairs. Where does my hon. friend draw the line? Does he censure the hon. member for South Renfrew for writing editorials for his newspaper when he was Minister of Railways and Canals? Would he censure the hon. gentleman for writing a letter to a newspaper upon a political question? Would he censure him for making a speech—

Mr. McKENZIE: If the Prime Minister expects me to give him any answer, I would say I certainly would not find fault with any one who runs a newspaper writing articles for his paper, but I would find fault if he was receiving a salary from the country and doing other work than that for which he was paid by the Crown.

Sir ROBERT BORDEN: It strikes me my hon. friend is drawing an exceedingly fine distinction when he says that a gentleman can occupy a position in the public service as Minister of Railways and Canals, and can without censure or criticism devote his time to writing partisan editorials, but that the Parliamentary Under-Secretary for External Affairs is to be condemned because he writes letters either for his own newspaper or to some other newspaper defending the Administration and perhaps having a partisan tinge. I must confess I do not understand the distinction my hon. friend is making, and I do not think he has edified the committee very much by the observations with which he has favoured it. This is simply a clause which provides that those gentlemen shall be entitled to a certain salary for the period during which they have held certain offices and discharged certain duties. It places the moneys at their disposal. If they decline to accept, it is their own affair. If they accept the salary and devote it to some public or patriotic purpose, that is a matter for their own judgment. If they accept and devote it to their own personal purposes, it is their right under the legislation. That also is a matter for themselves. This is all the section means.

Mr. PROULX: How long will they have to accept? Will they be governed by the Statute of Limitations?

Sir ROBERT BORDEN: I do not think that that is of very much interest.

Mr. PUGSLEY: My right hon. friend is rather to be pitied than otherwise, if he is unable to draw a distinction between a gentleman who is now being appointed to an office at a salary of $5,000 a year, and for whom the office is being created, who is devoting his time to the preparation of campaign literature in the interests of his political party, and the case of a man who, being a minister simply writes editorials for a newspaper which happens to be his own private property.

I am very sorry to hear it practically admitted by the Prime Minister that the gentleman who has been appointed Parliamentary Under-Secretary of State for External Affairs is really engaged in preparing campaign literature in order to promote the interests of the Government and the Conservative party in the coming election. I have noticed that during the election that the hon. gentleman has never apparently given any evidence that he is doing any work in connection with his department. We have had no evidence of it since the session began, and it has been explained that apparently his time and attention have been taken up with the preparation of party literature.

Sir ROBERT BORDEN: I made no such statement and no such admission. The Parliamentary Under-Secretary of State for External Affairs has been very active and diligent in the discharge of his duties. At to-day's session he answered at least half a dozen questions with respect to matters that came under his personal direction.

Mr. PUGSLEY: I am very glad indeed that at last to-day that hon. gentleman has answered some questions pertaining to his department. Perhaps he has been inspired to that by reason of some criticism which was made a few days ago. But previous to that he had not given any evidence that he was engaged on duties in connection with his department. I am even glad that

he is even answering a few questions. I was not here to-day, or, perhaps, I would have recognized the importance of that. We do know that many answers are prepared even by minor clerks of the departments. Whether the answers given to-day were of that character or not I do not know.

Mr. PROULX: I do not like this clause 5. In view of the fact that Sir George Perley and the hon. member for Queens and Shelburne (Mr. McCurdy) have expressed their intention to not accept any salary, and in view of the fact that the Parliamentary Under-Secretary of State for External Affairs has been writing articles for the Conservative press, I move that clause 5 be struck out.

Amendment (Mr. Proulx) negatived. Yeas, 27; nays, 40.

Mr. LEMIEUX: I notice that the two hon. parliamentary secretaries did not vote this time. Would it not be better if their previous votes were struck out?

The CHAIRMAN: I have nothing to do with that.

Mr. EDWARDS: That is an absolutely ridiculous statement to be made by the hon. member for Rouville (Mr. Lemieux). He has attempted to give expression to indignation and horror at the idea that these two hon. gentlemen should vote for the salaries in which they are interested, something the hon. gentleman did for fifteen years for himself. During all the time that he was a minister of the Crown, when the estimate came up for his salary of $7,000 there was recorded in favour of that $7,000 the vote of one Mr. Lemieux.

Mr. GAUVREAU: What about your own salary?

Mr. EDWARDS: Keep quiet. Hold yourself down; you are out of order.

Mr. GAUVREAU: You are out of order yourself. I rise to a point of order.

Mr. EDWARDS: What is your point of order?

Mr. GAUVREAU: You are not the boss.

Son. hon. MEMBERS: Order, order.

Mr. GAUVREAU: I rise to a point of order Mr. Chairman. The hon. member for Frontenac has no right to impute motives to the hon. ex-Postmaster General.

The Chairman (Mr. Rainville): That is no point of order.

Mr. EDWARDS: As a medical man I have noticed that some people are subject to dyspepsia and indigestion. The hon. member who has just sat down is troubled with political or mental indigestion; otherwise he would not have raised such a silly point.

The CHAIRMAN: Order.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Chair.

Some hon. MEMBERS: Sit down.

The CHAIRMAN (Mr. Rainville): I hope that hon. members—

Some hon. MEMBERS: Chair, chair.

The CHAIRMAN (Mr. Rainville): I hope the hon. member (Mr. Edwards) will confine himself to the clause under discussion.

Mr. EDWARDS: I shall be most happy to do so. The hon. member for Cape Breton (Mr. McKenzie) the hon. member for St. John (Mr. Pugsley) and the hon. member for Rouville (Mr. Lemieux) have always kept so close to the discussion and have shown such a respect for the rules that I shall not violate them for a moment. I do not profess to know what the clause is that is under discussion, but I rose for the purpose of pointing out that the hon. member for Rouville in taking exception to the vote of the parliamentary secretaries on their salaries was taking exception to something which he had done repeatedly while a minister of the Crown in voting in favour of his own salary—

Mr. LEMIEUX: It is fixed by statute.

Mr. EDWARDS: But the principle is the same.

Mr. COPP: If the salaries voted for the overseas minister and the parliamentary secretaries are not taken by these gentlemen what becomes of the money? Does it still remain to the credit of these gentlemen or does it revert to the revenues of the country?

Sir ROBERT BORDEN: It falls under the head of consolidated revenue fund if it is not accepted.

Mr. COPP: I understood it remained to the credit of these gentleman until they drew it or spent it on some other way.

Section agreed to.

On section 1—Appointment of Overseas Minister and Parliamentary Secretary of Militia and Defence:

Sir ROBERT BORDEN: I shall read the concluding part of this section:

5 (b) The Governor in Council may appoint a Senator or member of the House of Commons to be Parliamentary Secretary of the Department of Militia and Defence and such Parliamentary Secretary shall be a minister of the Crown and shall have and perform such powers and duties as the minister may from time to time prescribe.

As I explained before six o'clock, I gave the Resolution and the Bill to be founded thereon to the Parliamentary Counsel, and I really did not observe until it was brought to my attention this afternoon by the hon. member for South Renfrew (Mr. Graham) that these words "shall be a minister of the Crown" had been inserted. I have asked the Parliamentary Counsel for a memorandum as to the reason for their insertion, and he has given it to me. I do not think that, on the whole, there is any necessity or that they ought to be inserted. Therefore, I move to amend this section by striking out the words "shall be a minister of the Crown" and also by substituting for the word "minister" in the last line the words "Governor in Council," so that the clause will read:

The Governor in Council may appoint a Senator or a member of the House of Commons to be Parliamentary Secretary of the Department of Militia and Defence, and such Parliamentary Secretary shall have and perform such powers and duties as the Governor in Council shall from time to time prescribe.

Mr. MACDONALD: The powers given to the Minister of Militia under the Militia Act are very wide, and include the responsibility for the administration of the militia forces of Canada and a number of other duties such as the care of military stores, armament, and so on, and the initiative in all matters involving the expenditure of money. All that is assigned to the Overseas Minister is contained in the first clause of section 5 of the original Act. Under this Bill the Minister of the Overseas Military Forces is charged with the administration of the military affairs of Canada overseas, and such other duties as may be assigned to him by the Governor in Council. Who is responsible for the ammunitions, arms, stores and habiliments of war, on the other side, for which the Minister of Militia is responsible in Canada?

Sir ROBERT BORDEN: The Overseas Minister is charged with those duties under the Order in Council passed under the War Measures Act.

Mr. MACDONALD: Not by the statute.

Sir ROBERT BORDEN: Yes, he is charged with such other duties as may be assigned to him by the Governor in Council, and those duties have already been assigned to him.

Mr. MACDONALD: Then it should be "such other duties as have been or may be assigned to him."

Sir ROBERT BORDEN: The objection to that would be that if we say "have been" then we might fix it by statute so that we could not change it by Order in Council.

Mr. MACDONALD: In other words, the Order in Council would not only assign the duties but would become incorporated in the law by virtue of the statute.

Sir ROBERT BORDEN: That may not be a formidable objection and I would accept "have been or may be." I would move to insert in clause 2 after the word "as" which immediately follows the word "duties," the words "have been or".

Mr. LEMIEUX: The under secretaries are not to be ministers of the Crown?

Sir ROBERT BORDEN: No, that has been changed so that they will not be.

Mr. LEMIEUX: Will they attend sessions of the Cabinet?

Sir ROBERT BORDEN: No, they will not.

Amendment agreed to.

On section 2—"Appointment of Parliamentary Secretary of State for External Affairs."

Sir ROBERT BORDEN: I move to make the same amendment to this section as has been made to the section providing for the appointment of the Parliamentary Secretary of the Department of Militia and Defence, that is, to strike out the words "shall be a minister of the Crown and" and to substitute for the words "Secretary of State for External Affairs" the words "Governor in Council." The clause will then correspond to the one relating to the Parliamentary Secretary of the Department of Militia and Defence.

Amendment agreed to.

Bill reported.

DRY DOCK SUBSIDY.

On motion of Hon. Mr. Rogers, the House went into committee on the following proposed resolutions; Mr. Rainville in the Chair.

Resolved, that it is expedient to provide that the Dry Docks Subsidies Act, 1910, be amended by increasing the subsidy on first-class dry docks to four and one-half per cent of the cost of the work, payable half-yearly during a period not exceeding thirty-five years after the work has been completed, but half-yearly payments on account of the subsidy at the rate of four and one-half per cent on seventy-five per cent of the cost of the work done and materials provided at the time of such payment may be made during the construction of the dock, no such payment to be made until the work done and materials provided shall have cost the sum of five hundred thousand dollars, and no such payments on account to be made unless the chief engineer reports that the work is being proceeded with to his satisfaction.

Mr. PUGSLEY: There is one provision in the resolution which I am very glad the hon. minister is asking the House to agree to; that is increasing the rate of interest from four to four and a half per cent. As a reason for this, it might perhaps be desirable to refer for a few minutes to the history of the aid to dry docks. My first knowledge of the matter was in 1882, when the Government asked Parliament to grant aid, somewhat along these lines, not in the way of an Act to provide for a subsidy to be paid in cash, like the subsidies to railways, but in the nature of a subsidy extending over a period of years. From that time to the present very little of an effective character, so far as relates to the country at large, has been accomplished by the legislation. My experience has rather been that all the Governments from that time down to the present—and I am disposed to include the Government of which I was a member—while improving a little upon the previous legislation, were just a little behind the requirements of the investor, to enable anything practicable to result from the resolution. First, the rate of interest was three per cent, then three and a half, and then four, and now it is proposed to make it four and a half, but to-day four and a half per cent is not very much better than three and a half per cent was some few years ago, because the interest rate is higher. We know that even the Government cannot borrow to-day at less than six per cent, and many exceedingly good municipal securities are being sold on the market at six per cent. This class of aid is not very attractive security for the investor, because there is no security for the principal. It merely secures the interest at what, to-day, is a low rate, four and a half per cent for thirty-five years, but the investor has no guarantee that his principal will ever be paid. I suppose that is why the investor has not taken very kindly to the securities of drydocks companies. However, the increasing of the rate to four and a half may lead to something practical. I think, in regard to the aid which may be given in respect of the work while construction is going on, that the payment should be limited to an expenditure of, at least, a million dollars. I suggest that we should make it a million dollars, instead of $500,000, and make the half-yearly payments on seventy-five per cent of that amount. I think that, if that is provided for, and the Engineering Department is satisfied, whatever subsidy is given upon the expenditure should continue for the thirty-five years. Of course, it might be said, in answer to that, that possibly the drydock might be started, and might not be completed, and the Government would have the work on its hands. That is true, but that applies also to railways. We know that Parliament for many years has been granting aid during construction, I think after ten miles have been constructed, or after forty per cent of the work has been completed, the department will take progress estimates, and make payments on account. I do not see why the same provision should not be made applicable to drydocks, provided they are, as this resolution stipulates, of the first class, and if they are in parts of the country where a drydock of the first class is needed in the public interest. I think the building of drydocks, and the construction of ships in connection with them, which can be very greatly encouraged by reason of the plant for repair work that is necessary in connection with docks, is of enormous importance. There never was a time, and perhaps there never will be, in the history of the country, when it is more desirable, in the public interest, to secure the early establishment of shipyards in Canada. My hon. friend will agree with me when I say the war may last for some years yet, and the question of shipbuilding appeals to every man in the country as being of very vital importance. I suggest to the hon. minister that after the word "may," in the seventh line of the resolution, we insert the words "in respect to work done." I also suggest that we fix the amount at $1,000,000, so that the money invested will be so large as to be a pretty

good assurance that the whole of the work will be completed, and if, for any reason, there were any stoppage, the Government would have a margin of $250,000. I would provide in the Bill that, in case of any default, the Government take charge and become the owner of any work done. I suggest, for the minister's favourable consideration, that we should strike out of the resolution the following words:

> And no such payments on account to be made unless the chief engineer reports that the work is being proceeded with to his satisfaction.

In connection with securing money for a dry dock costing $4,000,000 or $5,000,000, and for the necessary repair plant and shipbuilding plant—I should like to see the latter established in connection with every dry dock that is constructed—in these days when the rate of interest is high and many favoured investments are offering, a banker would not look with very much favour upon bonds issued during construction unless in respect to those bonds the subsidy was to run for the period specified in the Bill. There is no use in passing legislation that is not going to procure results. As I say, I speak from having been interested in St. John in securing the building of a dry dock; that interest began thirty-five years ago, and there is no dry dock yet. Parliament always did pretty nearly what the investor wanted—but not quite. There is no use in putting legislation on the statute book unless it is of such a character as reasonably to encourage investors. I would suggest that the lowest amount upon which subsidy shall be paid during construction be made $1,000,000. With the margin of 25 per cent, that would be $250,000 in respect to each payment.

Mr. ROGERS: I agree with my hon. friend as to the importance of such legislation as will ensure the construction of dry docks wherever they are necessary and wherever their construction is feasible. It is true that at present there is greater need for dry docks than there has been hitherto, and it is true that the Dry Docks Subsidies Act, which has been on our statute books for some years, has not accomplished the purposes for which it was intended. That is due largely to the fact that the subsidies offered have not been sufficiently attractive. In bringing this resolution before Parliament, I thought that I was going a long way to remedy that condition. First of all, I propose to increase the interest rate to four and a half per cent. I propose also to remedy the complaint that has been made whenever the matter of the construction of dry docks was discussed in my department: that in connection with what are called progress Estimates. Under the old Dry Docks Subsidies Act, no estimate was given until the the dock was completed. I propose under this Bill to remedy that condition and to provide that we shall pay the subsidy on 75 per cent of the money spent. In other words, when $500,000 is spent, we shall provide a subsidy half-yearly on $375,000 of the $500,000; and so on until the dock is completed. In this respect the Bill is a great improvement upon the previous legislation. Such an undertaking as the construction of a large dry dock of the first class is not usually promoted by contractors who are interested simply in the operation of a dry dock. I do not think the Act is workable except in cases where a corporation have in mind the establishing of a shipbuilding plant in connection with the dry dock; otherwise, I doubt whether the proposal, even under this legislation, would be sufficiently attractive to encourage the investment of so large an amount of money. But this legislation is certainly a great encouragement to any firm or company which has in mind the building of a shipbuilding plant and the carrying on of work of this kind. In St. John there is pressing necessity for the construction of a dry dock, especially at this time, when so many ships are coming into that port. The same applies to Halifax. While there is at Halifax a dock that has done splendid service, having regard to its capacity, yet in my judgment the accommodation is insufficient to meet the requirements of the trade. In the near future it will be necessary, under any legislation that we may enact, or in some other way, to provide a dry dock at that port. This is necessary not only because of the present requirements, but because of urgent requests made by the Admiralty and those interested in the shipping trade of our country. I do not know that I have great objection to the suggestion made by the member for St. John, because in introducing this resolution I had in view the one purpose of trying to present a measure that would be sufficiently attractive to produce some results under our Dry Docks Subsidy legislation. My hon. friend has suggested that the amount upon which subsidy should be paid should be made $1,000,000 instead of $500,000. I think

11 p.m.

my hon. friend is in error in what he says with regard to railway subsidies. As I understand it, when a railway subsidy is granted and approved by Parliament it is understood that a certain number of miles of railway have to be constructed and that if that work is not carried out, the full subsidy is not paid.

Mr. PUGSLEY: But they get paid through the progress estimates.

Mr. ROGERS: We are proposing to pay them on progress estimate.

Mr. PUGSLEY: Only the interest.

Mr. SINCLAIR: How much does the minister estimate a complete first-class dry dock will cost?

Mr. ROGERS: A first-class dry dock would probably cost something like $3,500,000 or perhaps $4,000,000. The Subsidy Act provides that we can grant a subsidy on a dry dock costing $5,000,000 a subsidy of $500,000, but that includes a subsidy on a shipbuilding plant connected with the dry dock. In respect to the change of the form of the subsidies to be granted, it has also been suggested that the subsidy should terminate at any time, so far as the contractors are concerned, should they fail to carry out their contract; but the suggestion is made that our Act should provide that supposing $1,000,000 has been expended on the construction of a dock, and the contractor fails after he has spent that amount and after we have paid him under the proposed arrangements, say, $750,000, all that should be exacted from him would be the loss of that $250,000 together with his deposit of $250,000 together as a guarantee of good faith that he would carry out the contract, and that we should continue to pay the subsidy of 4½ per cent upon the amount of money so put into the dock by the contractor.

Mr. A. K. MACLEAN: I suppose that is if the dock is completed.

Mr. ROGERS: No, it is suggested that we should pay the subsidy provided the dock has not been completed. Even if the contractor had gone on to the extent of spending $1,000,000, if he failed to carry the work on to completion, we would be able to exact from him the $250,000 of the hold-back and the $250,000 of the deposit which he had put up as a guarantee of good faith that he would carry the work to completion.

Mr. A. K. MACLEAN: Do I understand that the Government will pay the interest on that amount?

Mr. ROGERS: Not on that amount. We would pay the interest on the $750,000, because the contractor would in all probability borrow from some innocent investor the money to carry on the work up to this point. I am pointing out to the committee only what has been suggested.

Mr. SINCLAIR: Does the minister say that we would continue to pay the interest on $750,000 for 35 years in the case of a dock that was not completed?

Mr. ROGERS: No, but supposing a contractor had taken a contract and had borrowed $1,000,000, and under our Act we were obliged to pay a subsidy of $750,000 all told, and we had in addition his deposit of $250,000, and he fell down on his work, the suggestion is that we should pay the subsidy of the $750,000, and we should retain the other $500,000 and see that the contract is carried out by some other person and that the dock is completed and put into shape for the purpose for which it is intended. Although I am not clear as to the desirability of going as far as that, the suggestion deserves some consideration. In view of this, and in view of the fact that we are to have amendments to the resolution before the committee, it will be necessary for me to withdraw the resolution and bring in another one in keeping with the views of the committee. I would like, therefore, to get the judgment of members of the committee in order that I may know exactly their views on the subject. I am not wedded to any particular form or arrangement, but I am anxious that under this resolution we shall be able to get results and accomplish some good, because there is undoubtedly pressing necessity for the construction of at least two or three first-class dry docks at different ports in Canada.

Mr. SINCLAIR: Where is it proposed to build these docks?

Mr. ROGERS: One is needed at St. John, one at Halifax, one at Vancouver and one at Esquimalt.

Mr. PUGSLEY: When I was Minister of Public Works there were in the department plans for one at Sydney.

Mr. ROGERS: That is not a first-class dock.

Mr. PUGSLEY: I might mention this fact as showing the difficulty of securing capital for the building of a dry dock based simply upon a subsidy that expires at a certain time, where the principal is not

guaranteed. For a good many years the law provided that if there was any cessation of operation of a dry dock, the subsidy should cease. I remember a gentleman from Halifax came to see me, and Mr. George Robertson, President of the Company dry dock at St. John came to see me a good many times, and he was also over to England many times, in connection with the project. They stated that the bonds might go into the hands of estates, widows and children, and they asked: What do they know about operating a dry dock? They said that unless the matter was made absolutely unconditional, those parties would not invest. The Hon. Mr. Fielding, when Minister of Finance, saw the possibility of that, and he introduced a Bill changing the law so as to make it absolutely unconditional, that whether the dry dock was operated or not, the subsidy should run on for 35 years.

Mr. SINCLAIR: That was after it was finished.

Mr. PUGSLEY: Yes, but the Government might take charge of the dry dock and operate it, and charge up the company with the expenses and credit them with the receipts. Even with that change there has been very little result. What I have heard from people who have been speaking about investing is that in financing an enterprise which would run to about $500,000 and perhaps a larger amount, if a shipbuilding plant were established they would certainly want to issue their bonds during construction. What they have said to me—and I can see the reasonableness of it—is that providing a subsidy does not really aid very much the raising of money because they say that after the contractor or the company has put a million dollars into the work, if construction should cease and the subsidy should cease, the bonds would be of no value and the investor would be deprived of any security. They say that no bonds could be floated under those circumstances. My honourable friend will see how weak a security that would be. No. investor would take the bonds unless he was absolutely assured, beyond all possible question, that the dock would be completed. It would be in the public interest that some of these first-class dry docks should be constructed, and it would not be unreasonable to agree unconditionally to pay the subsidy up to 75 per cent, of the work during construction, particularly when a million dollars had actually been expended.

[Mr. Pugsley.]

Then the Government would have the security of the $250,000. and also of whatever amount was taken as security from the contractor that the dock would be completed. With the site of the dock, the plant, and what was invested, there would not be very much likelihood of the public suffering to any extent. Of course, all my observations are based upon the idea that it is in the public interest that the docks should be constructed in places where the minister might decide it is desirable they should be constructed. With regard to railway subsidies there is a cash bonus of $6,400 per mile, but if the railroads were to stop in the forest after ten, twenty, or thirty miles were built, whatever money was put in would, to a certain extent be jeopardized. Still it is good policy. If you are going to assist a public work, like a dry-dock, by a subsidy during construction, you must give something substantial. You are not giving them the principal, according to my idea; you are only giving them the interest for thirty-five years, and if by any misfortune the contractor should not be able to go on, the investor who has taken the bonds up to seventy-five per cent of what has actually been invested would have no security whatever. He would lose his interest for all the remaining thirty-five years. I would think that, particularly in those days, no investor would look at bonds for a moment unless the company actually had the money. I think in changing the law now and under these circumstances Parliament should be a little generous, and run some little risk, particularly where there would be a large margin which would be provided if the security was only given up to seventy-five per cent of construction. My fear is that nothing will be accomplished if the Bill goes through as the minister now proposes, and I speak from my experience as a minister, and my knowledge as a solicitor of a company some years ago, knowing how wary investors are in regard to a security of this nature. In the first place, they say, that the principal is not secured, that all they get is interest, and not a high rate of interest. Everybody will admit that four and a half per cent is a low rate of interest to-day. Then they say: "If for any reason the dock should not be operated, our security is gone." We know Mr. George Robertson went to England and to the United States, and got promises everywhere, but when they came to look into the question, they said "It was defective, that it did not afford a security that was attractive and they would have nothing to do with it."

Mr. A. K. MACLEAN: You mean if they get the principal and the interest guaranteed, it would be possible to find people to take up the investment?

Mr. PUGSLEY: No, they never had the principal guaranteed and they will not, under my proposal. All they would have would be the interest guaranteed for thirty-five years.

Mr. SINCLAIR: On three-quarters of the principal.

Mr. PUGSLEY: On three-quarters of the principal, that is all. I remember years ago the minister used to say to George Robertson, then mayor of St. John: any man will lend money at three per cent; always forgetting the principal was never guaranteed, and was always in jeopardy.

Mr. A. K. MACLEAN: This resolution provides for thirty-five years' interest.

Mr. PUGSLEY: It does, and the minister evidently has the view that it will be likely to make it easier for the investor or for the company if when $500,000 has been expended the minister may give a subsidy upon seventy-five per cent of that amount during construction. The difficulty is that under the resolution as it is, if the company issues its bonds for seventy-five per cent of the $500,000, and if for any reason it is not able to go ahead, the man who has taken the bonds loses his security absolutely. He might get his interest for two years, or three years possibly, but if at any time the company should fail to go ahead, the security becomes waste paper, and therefore the investor would not have anything to do with it. I am satisfied it will be found that is the obstacle which will confront any company. I would like very much to see legislation which would bring results. There is no use putting legislation on the statute books and thinking you are going to accomplish something, if, as a matter of fact, nothing will be accomplished. I have pointed out to the minister the difficulty which appears to me, and I hope that the minister and the committee may see their way clear to make some change and give more security to the investor for bonds issued under construction.

Mr. A. K. MACLEAN: I would not undertake to say that the suggestion of my hon. friend from St. John is not quite substantial, but at the same time it does not strike me as being a forcible one. There should not be any such thing as failure in the construction of a dry dock where there is a guarantee of four and a half per cent interest for thirty-five years. Such a thing should not be possible. I say this for the reason that before the Government enters into an agreement it should be absolutely certain that the agreement is with a company or a person who cannot fail to carry it out. There should be deposited with the Minister of Public Works one-quarter of the estimated cost of the undertaking. If it is to cost $3,000,000, there should be a deposit of $750,000, and the contractor should be able to put up that amount before he gets the contract. The member for St. John (Mr. Pugsley) says it is difficult to get men to put money into dry docks. That is perfectly true, but it is not because the Government does not offer sufficient assistance. The difficulty is that it is a risky undertaking. None of the dry docks in the United States ever made a cent until recent years. The great trouble is that many dry docks have been built which should not have been built, and in places where they should not have been built. I do not believe that you could find a dry dock on the Atlantic seaboard which had earned any interest whatever until five years ago. Great care should be exercised in entering into any contract for the construction of a dry dock anywhere. It does not follow that because the citizens of a place want a dry dock, they should get it, or because the Government is approached by contractors who want to construct a dry dock, they should receive a contract. That is one of the troubles with our Dry Dock Act.

The statute makes an offer to the public to pay four and a half per cent interest on three-quarters of the cost of the work for a limited period. This is an inducement to promoters to organize companies to construct dry docks whether they can or cannot possibly pay. I quite agree that there should be some dry docks in Canada. I do not know how the Pacific coast is provided at the present moment. I would not think it would be desirable to put a dry dock at Esquimalt and one at Vancouver. It would seem like a great waste of public money as probably the enterprises would hardly pay interest on the construction cost. It would not be fair to Vancouver, say, to erect another dry dock at Esquimalt because there is not enough business for two unless one was supported by the British Admiralty for naval purposes. I think the British Admiralty might very well be asked to do something with respect to a dry dock on the Pacific coast and also one on the Atlantic coast. I think it is quite apparent that

there should be a dry dock somewhere on the Atlantic cost with a capacity sufficient to meet the maximum demand on the Atlantic seaboard. Whether a dry dock will pay on the Atlantic coast is a debatable question. Whether a dry dock is an aid or encouragement to a shipbuilding plant is also another debatable question. Many ship builders say that they would not have a $3,000,000 dry dock if it were given to them for nothing. They say it is a separate industry altogether and that one does not help the other but that one is rather a disadvantage to the other. Therefore, I say in the interest of Canada that great care should be exercised by the minister in granting aid under this Bill when it becomes law. A first class dock is necessary, I would say, in the port of Halifax. It would be quite natural that I should suggest that. I would make that statement anyway whether I was representing the constituency of Halifax or not. Before the minister enters into a contract with anybody he should make sure that it is a reputable firm and he should not have in his mind the possibility of the company failing. I would not enter into a contract with any person who could possibly fail. He should give security to the Government for a quarter of the cost and the minister should provide that he is amply secured beyond all peradventure. Therefore, I do not take very kindly to the suggestion of the hon. member for St. John (Mr. Pugsley), namely, that we should undertake to pay interest upon a portion of the investment made in partial construction of a dry dock when the company has failed to complete its contract. The Government or somebody else, must come in and produce the requisite capital to complete the undertaking. I think that could be provided against by making sure that no contract should ever be made with any company that could possibly fail and which was not in a position to carry out its contract.

I quite agree with the purpose of the resolution in increasing the rate of interest. It is quite true that private capital will hardly embark in a drydock to-day of any size without some assistance. The rate of interest has risen during the war to such a height, and it is likely it will continue so for many years afterwards, that the Government is amply justified in increasing the rate from four to four and a half per cent.

Mr. PUGSLEY: My idea is exactly like that of my hon. friend from Halifax (Mr. Maclean) that the Government should, and no doubt would, take ample security to ensure the completion of the drydock. There would be a margin of 25 per cent and there would be security put up in addition. The idea of giving a subsidy during construction is that the company could issue bonds against that which would be placed with its bankers. The bankers in turn want to put their bonds out amongst their clientele. They do not want to know the relationship between the company and the Government, or what security the Government has taken, but what they want to know is that beyond peradventure they can get their interest for a certain definite period. That is necessary, and that has been found necessary, in order to float these securities. It was a fact that for a number of years the subsidy might cease if the company ceased to operate the drydock. That prevented capital being raised. In view of the fact that a drydock can not be constructed in any place where it is not found by the minister, from the report of the officers of his department, to be in the public interest that it should be built, in view of the fact that the minister could always get this margin of 25 per cent and could have security which would be ample to ensure the construction of the dock, I would not think it would be unreasonable to allow the payment of interest upon 75 per cent of the expenditure during construction, provided, of course, that in each case the expenditure must reach at least $1,000,000. That in itself would be evidence of the financial ability of the company. Before it would get any subsidy at all it must expend $1,000,000 and so on practically through the construction.

Mr. ROGERS: Is that the only amendment the hon. gentleman would make?

Mr. PUGSLEY: There is an amendment which occurs to me to be necessary because I have understood that there is a question even now under the present law as to whether in the case of a dock that is completed, passed by the engineers and accepted by the Government, and should cease, to receive its subsidy—

Mr. ROGERS: That is after it is completed?

Mr. PUGSLEY: Yes. A change was made when Mr. Fielding was Minister of Finance with the intention of making the payment of the subsidy absolute. The moment the dock was completed, passed by the engineers, approved by the minister and adopted by the Governor in Council, no matter what happened after that the

subsidy would be continuous and indefeasible for the period of the subsidy under the contract. I have been told that some question has been raised. Indeed, I was informed that a sub-committee of council had expressed the opinion that notwithstanding the legislation intended to bring about that result, it was not clear from the statute that it was brought about. I would like if the minister would look into that and see that the spirit and intention of the legislation introduced by Mr. Fielding is absolutely carried out; so that, when a dock is once accepted as being built in accordance with the specifications, there should be no question of the payment. It is absolutely essential that any doubt should be removed.

Mr. SINCLAIR: If the minister finds it necessary to redraft the clause, I should like to see something inserted to provide a guarantee that the work will be completed.

Mr. ROGERS: That is provided in the Bill founded upon the resolution. The hon. member for Halifax (Mr. A. K. Maclean) does not appreciate the difficulties we have had in securing much, if any, result from the Dry Docks Subsidies Act apart from the floating dock at Montreal and the small dock at Port Arthur, and his suggestion that parties intending to construct dry docks should be obliged to put up as a guarantee of good faith $750,000 would undoubtedly place such a barrier in the way that it would be impossible for us to get any results, even under the amended Act.

Mr. A. K. MACLEAN: All I meant was that such companies should be in a position to make it clear to the Government that they can supply the capital required above the proceeds of the bonds guaranteed by the Government to meet the total cost of the undertaking.

Mr. STEVENS: That is in the existing Act.

Mr. ROGERS: It goes without saying that the Government will guard against that. My hon. friend suggests that we should be careful not to have constructed in various parts of Canada dry docks under this Act unless they are absolutely necessary. I can assure my hon. friend that there is not much danger of the Act being abused in that way. There is little chance of having dry docks constructed unless there are very strong hopes of their being paying investments and being necessary, not alone in the public interest, but in the interest of the corporations or companies undertaking their construction. The Dry Docks Act has been in force for some years, but its terms have not been sufficiently inviting to induce investors to undertake the construction of dry docks. My hon. friend suggested that he did not believe that there was necessity for a dry dock at Vancouver and also one at Esquimalt. My hon. friend does not realize the importance of our great western outlet through Vancouver and Esquimalt. Vancouver is probably the third largest port in Canada, and it has been greatly handicapped owing to the absence of a dry dock.

Mr. A. K. MACLEAN: I did not suggest that there should not be a dry dock at Vancouver. I understood it was suggested that there should be two first-class dry-docks on the western coast, one at Vancouver and one at Esquimalt. All I did was to suggest doubt as to the advisability of constructing two first-class dry-docks on the Pacific coast.

Mr. ROGERS: In my humble judgment there is necessity for two, one at Vancouver and one at Esquimalt. Esquimalt is a very important port in that the Admiralty land all their ships there, and have been pressing for years for the construction of a dry dock. The Government have already taken up the question of securing the necessary land and preparing to carry out such construction if application should be made under the Dry Dock Subsidy Act. When I was in England I had occasion to take this matter up with Sir Edward Carson, who was then the head of the Admiralty, and the matter was gone into very fully by that department. I was at that time urging upon the Admiralty that it was their duty to build dry docks, not only at Esquimalt but also at Halifax, and I am glad to tell the committee that my proposals met with some favour, in fact, with a very great deal of favour, at the hands of Sir Edward Carson, who gave the matter very serious and thoughtful consideration.

We had some correspondence in the matter and the difficulty with Sir Edward Carson apparently was to be able to secure the necessary money from the Treasury Department, otherwise he would have been satisfied, upon the recommendation of the department, to carry out the construction of the docks at Halifax and Esquimalt. Hon. gentlemen can see the special interest the Admiralty appears to have in the necessity for docks at these two points.

Mr. SINCLAIR: Was it intended that the Admiralty should pay any part of the

expense at Esquimalt or Halifax, or was Canada to pay it all?

Mr. ROGERS: My request of the Admiralty was that they should bear all the expense.

Mr. SINCLAIR: Did they agree?

Mr. ROGERS: I cannot say that they directly agreed, but I pressed that point strongly.

Mr. SINCLAIR: I understand the Government have taken over the docks at Halifax and Esquimalt and we now own them?

Mr. A. K. MACLEAN: No, no.

Mr. PUGSLEY: At Halifax a company owns the docks and the dock at Esquimalt is owned by the Government.

Mr. SINCLAIR: The Canadian Government owns whatever dock we have at Esquimalt?

Mr. ROGERS: Yes.

Mr. SINCLAIR: And we have owned it for some time. Does the Government mean to go back to the old system of making it an Imperial dock, owned by the Imperial Government, instead of making it a Canadian dock?

Mr. ROGERS: The dock at Esquimalt is not sufficient to meet the requirements of the large ships which pass in and out at that point, and we have had the fact presented to us, times without number, that British vessels go to Seattle to have repairs made in dry dock at that American port. This has been the subject of discussion between us and the Admiralty for some time. When I was in London, I pressed upon the Admiralty that it was their duty to see that dry docks should be built at Esquimalt, and Halifax, and I am glad to say that I made an impression upon the department, represented by Sir Edward Carson, to the extent that he was willing to undertake the work, provided he could secure the money from the treasury, and it was referred to Mr. Bonar Law. I had two or three interviews with Mr. Bonar Law, and I pressed on him very strongly the necessity for providing funds for the carrying out of the construction of these two docks. I have not yet received a definite answer from him as to whether it will be possible to carry out the proposal which the Admiralty made, and to provide the necessary money.

Mr. SINCLAIR: If they carry it out, would the docks be open to the public, or would the use of them be confined to the Admiralty?

[Mr. Sinclair.]

Mr. ROGERS: The Admiralty would naturally have first call, and no doubt they would be very glad to admit ships that would pay for the repairs and help reduce the expense. My argument with the Admiralty was that we had already started, and had under construction, a dry dock at Quebec; and also had one started at St. John; that we had given a subsidy for and secured a floating dock at Montreal, and another at Port Arthur; or, in other words, that we were providing the necessary dry docks for the ships that were doing the carrying trade of our country, and that it was the duty of the Admiralty to provide dry docks at points like Halifax and Esquimalt. That was the ground on which I based my argument, in endeavouring to secure approval of the proposition that the work should be undertaken by the British Admiralty, instead of the Canadian Government.

Mr. PUGSLEY: I think both the Admiralty and the Dominion Government gave aid to the company which owns the dry dock at Halifax.

Mr. ROGERS: Yes, but it was a very small amount. My object in bringing this resolution before the committee was simply with a view to providing such subsidy as would secure the construction of first class dry docks wherever they are necessary. In respect to Halifax, we had a proposal from a very strong English company, a short time ago, and, in order to give the committee an idea of what the building of drydocks means, I may mention their estimate of the work incident upon the building of the dock itself, and the necessary shipbuilding plant that should go along with it, in order to make the dock a paying and profitable concern. The committee will appreciate that for years to come the great business, in my opinion, of this country will be that of building ships to carry the trade of our country. I had presented to me the estimates of this English company, to build a drydock and shipbuilding plant at Halifax, and their estimate amounted to something over $8,000,000. It runs into very, very large figures. I am satisfied that whoever comes forward to take advantage of whatever subsidy this Parliament decides upon will undoubtedly represent strong interests, and I do not anticipate any difficulty, or any failure on the part of any company that would come forward in putting up the security necessary for the purpose of carrying such contracts to completion.

I am desirous to do whatever is best in the public interest, and I will not ask the committee to consider the resolution any further to-night, but to think it over to-morrow or next day, and see whether any useful amendment can be made. Our effort will be to secure some result from the legislation and the amendments which may be adopted. As no hon. gentleman desires to say anything further, I move that the committee rise and report progress.

Mr. McKENZIE: As the Government, of which the hon. minister (Mr. Rogers) is so prominent a member, is now launching upon the doctrine and policy of public ownership, if we are going to own all the railroads in the country, what is the matter with owning the dry docks as well? I think the day will come—and it appears not far distant—when the Government of Canada will own the railroads; and they will naturally own the ocean steamships as well. When they own ships in connection with their railways, they will certainly find dry docks very convenient, and if the doctrine of public ownership is to prevail in the country, we might as well own the dry docks. After the war, I do not think the Government would have any difficulty in getting money at four or four and a half per cent, perhaps cheaper, and if they could get it at three and a half or four per cent, it would be just as well for this House to own the dry docks, as to give four and a half per cent to somebody else, and not own the property.

The annual interest upon a dry dock costing $3,000,000 would be $135,000. For the thirty-five years, the interest would amount to $5,725,000. I suppose that we would need not less than five of them in Canada, two on the Pacific and three on the Atlantic. The interest upon these works for the thirty-five years would be $38,625,000. That is a very large amount of money to spend in connection with property that we do not own. I would suggest to the minister that if we are going to launch upon a policy of public ownership—ownership of railroads and all public utilities—we might as well own the dry docks with the rest.

Progress reported.

CRIMINAL CODE AMENDMENT.

On motion of Hon. C. J. Doherty (Minister of Justice) Bill No. 124 to amend the Criminal Code and the Canada Evidence Act was read the second time and the House went into committee thereon, Mr. Rainville in the Chair.

On section 1—Making evidence of wife admissible in prosecution for non-support.

Mr. LEMIEUX: What is the effect of the amendment to the Canada Evidence Act?

Mr. DOHERTY: The amendment is to add, in subsection 2 of section 4 of the Canada Evidence Act, after the words "thirty-nine" in the fifth line thereof, the words "two hundred and forty-two A." Section 242A deals with the offence of non-support. By adding this section the effect of the provision is that the wife becomes a competent witness against her husband on a prosecution for non-support. The original section provides certain cases where the wife may be a competent witness against her husband. The present amendment simply adds to the existing cases of that kind the case of prosecution for non-support.

Mr. PUGSLEY: Cases of prosecution under the Criminal Code for non-support?

Mr. DOHERTY: Yes.

On section 2—Penalty extended to foster parent.

Mr. DOHERTY: There is provision in the Criminal Code making seduction by masters or proprietors of factories—people in authority generally over the individual seduced— an offence without regard to the limitations of age that are made in ordinary cases. This is to include in this provision cases where there is seduction by the step-parent of the step child, the foster parent of the foster-child or the guardian of his ward. The position is thought to be analogous to the case of a person availing himself of a position of authority over a female child.

Mr. PUGSLEY: The section is very desirable indeed.

On section 3—definition enlarged to include place where indecencies are practised:

Mr. DOHERTY: The effect of this amendment is to add to the present definition of a bawdy house the words:

> Or for the practice of acts of indecency, or occupied or resorted to by one or more persons for such purposes.

At present such a place is described as a house, room, set of rooms or place of any kind kept for the purpose of prostitution. It has been represented to us by different police authorities that there has unfortunately grown up in different cities under the guise of legi-

timate places of business —such as massage, etc.—establishments which are resorted to not for purpose of prostitution, but for the purpose of the commission of acts of indecency. It has been thought proper that they should be put on the same footing as the bawdy house.

Mr. LEMIEUX: At the beginning of the session I brought to my honourable friend's attention a matter germane to that now under consideration. Some good ladies in Montreal have been trying to save young girls from the perils to which they are subjected. When such cases come before the Recorder's Court, the young girls are sent to an institution, under the direction of the nuns, and everybody knows that the young girls who come under the direction of the nuns are on their way to salvation. The trouble is that sometimes, when their term is up, they are met at the gate of the institution by the men or the women who have led them into their life of shame. If the minister could devise means further to protect those young girls by an amendment to the Criminal Code, that would certainly meet with the approval of the society.

Another point which has engrossed the attention of the good people in Montreal who take a special interest in the welfare of those poor creatures is that there should be an enactment whereby those cases could not be settled out of court, and also that the appeals should be restricted, especially in cases where the men or the women found in those institutions have previously been punished. In large cities like Montreal—and I suppose the case applies to all large cities—it is appalling to realize how many young women and especially young girls are taken away from their parents and become the victims of the white slave traffic. I do not know if my hon. friend as Minister of Justice has taken into consideration the remarks I have made to him from time time, but it seems to me, if not at this session, at the next session, he should confer with those in authority at those large institutions and enact pretty drastic amendments to the Criminal Code. I have visited the Montreal institution on two occasions; I know some good ladies who have given their services to the protection of young girls, and they are very anxious that the work should not fail by any laxity in the criminal court, or in the regulations, or in the procedure which takes place either in the Recorder's Court, or before the Appeal Court. I simply wish to remind the minister that it would be the part of wisdom for him some day to review the legislation on this subject and to meet the views of the public.

Mr. DOHERTY: I would remind my hon. friend that it is not easy to find an adequate remedy for that state of affairs. The prisons and reformatories of this kind are not under the jurisdiction of this Parliament; they fall under the jurisdiction of the provincial authorities. It was suggested to me at one time that some remedy could be brought about by providing for longer sentences for young women offending in the manner referred to, it being pointed out that the stay of a longer period would be more likely to bring about reform. At that time I did make some effort in the direction of endeavouring to feel my way towards the imposition of more severe punishment. I found that there was a very strong reaction against that because it was suggested that by increasing the term of imprisonment, whereas where you had a properly constituted institution where a real work of reform was carried on, the effects would be good, on the other hand, the power being limited to providing for longer sentence of imprisonment, we would not be able to discriminate between different institutions, and it might be unduly harsh to impose upon a young woman, who had made her first slip or started in the wrong path, a very long period of punishment. The objection was not conclusive to myself; but at the same time, at that time at all events, it did not seem possible to hope to put through legislation looking for a remedy by greater severity. No doubt if we could extend more widely the establishment of purely reformatory institutions, that would be of great advantage to the country.

With regard to those younger women falling into the hands of those who had formerly led them into vicious courses, it is very difficult to deal with that from the point of view of criminal law. We have already upon the Statute Book very severe provisions with regard to anything in the way of white slavery or traffic of that kind, and we have in the last few years strengthened the law. There is no doubt that the whole subject of how to deal with offenders of that class and how to surround them with the protection that ought to be afforded to them is one that should call for more consideration, for a real study and a remodelling of our provisions dealing with the matter. When opportunity occurs, if I should be in a position to deal with the

matter, I certainly would approach in a most sympathetic way the examination of the question. At present I am afraid I cannot say more. I quite appreciate and sympathize with the suggestion the hon. member has made, and I believe the time will come when we shall be able to deal more satisfactorily with that most unfortunate class. In the meantime certainly every one must appreciate the work of the good ladies to whom the hon. gentleman has referred, who certainly deserve well of the country for the devotion they have shown for a long period to the good work of endeavouring to encourage those young women to improve. It is also fair to express a tribute of appreciation of the work of the good religious who are in charge of the institution to which the hon. member has referred. If the section is taken as carried, we might revert to the one about which the hon. member for St. John (Mr. Pugsley) spoke.

Section agreed to.

On section 2—Penalty extended to foster parents:

Mr. DOHERTY: The intention was to add the step-parent or foster parent to the cases provided for. The law already provides for the case of the guardian who seduces his ward, and that is the reason why we repeal subsection (a) and replace it by the present subsection which includes, with the guardian who is already provided for, the step-parent or foster parent.

Mr. McKENZIE: The old section is continued with this added. Is that what the minister means?

Mr. DOHERTY: Yes, with the addition of foster parent or step-parent. The guardian is already in subsection (a).

Section agreed to.

On section 4—Paragraph penalizing traders for not keeping books redrawn.

Mr. PUGSLEY: What is the present section?

Mr. DOHERTY: The present section contains a provision just as it is here, save as regards the proviso that a man is not to be convicted if the period for which he failed to keep his books is more than five years anterior to the charge. The present section has been interpreted as providing that if at any time within the last five years he kept any books, he could not be convicted. What was in view under the old section, though it was unfortunately expressed, was that if he had at any time during the last five years failed to keep such books of account he might be convicted. In view of the wording, it was interpreted to mean that only if, as as a matter of fact, for the whole period of five years he kept no books he might be convicted. The proviso here carries out the intention that he is not to be convicted if his offence of not keeping books is more than five years old.

Section agreed to.

On section 5—Constables' fees revised.

Mr. PUGSLEY: Speaking generally, what is the percentage of increase?

Mr. DOHERTY: I could not give the exact percentage but it is not very large.

Mr. PUGSLEY: I suppose from ten cents per mile to thirteen cents per mile.

Mr. DOHERTY: The increases are not very large. This proposed tariff has been submitted to the different provincial authorities who are also interested in the question. There has been a suggestion, of some question whether we ought to deal with the tariff of the constables. Whatever there may be in it, the present Criminal Code deals with the tariff, and there has been no serious objection taken.

Mr. McKENZIE: What is the purpose of section 8.

Mr. DOHERTY: That is not an unusual section in regard to modifications made to criminal law, because a person should not find himself convicted possibly of a crime newly created until there has been ample opportunity for his being aware of the existence of the law.

Mr. McKENZIE: Do I understand the minister to say that there shall be a uniformity of constables' fees, that is, the provincial governments will enact or amend their scale of fees so as to have uniformity throughout the Dominion?

Mr. DOHERTY: Whether we are really the constitutional authority to fix the tariff or not it has been the practice in the past under our law to fix the tariff for the services of constables in connection with criminal proceedings. It may perhaps be open to the question that being part of the administration of justice it would be more proper that the province should do it. As a matter of fact one of the provinces to which we submitted these changes did suggest that view. The tariff as established by the present Criminal Code has been accepted and acted upon, and the constables

have made representations to us, and the provincial authorities in some portions of the country at all events—Ontario notably—have acquiesced in the representation that the fees paid those constables for services in connection with criminal matters were inadequate. The fees, of course, are not paid by the Dominion. In many cases they are paid by the parties. I think a glance at the fees will show they are not unduly large.

Bill reported, read a third time, and passed.

On motion of Hon. Mr. Rogers, the House adjourned at 12.25 a.m. (Tuesday).

Tuesday, August 14, 1917.

The House met at Three o'clock, the Speaker in the Chair.

PRICE OF BRAN—SHIPMENTS TO THE UNITED STATES.

On the Orders of the Day:

Mr. E. W. NESBITT (North Oxford): Before the Orders of the Day are called I would like to ask the Minister of Trade and Commerce if he has had any notices from farmers' clubs or otherwise about the millers selling bran on the other side of the line cheaper than they are selling here. I have a letter from the secretary of the Kintore Farmers' Club, of Ontario, enclosing a clipping from Farm and Dairy to the effect that the Montreal millers had sold three hundred car loads of bran to go to the United States at $25 a ton, and more recent inquiries revealed that the millers generally are shipping immense quantities of bran to the United States at prices ranging from $25 to $27.50 a ton. At the same time, prices in Canada have ranged from $30 to $32 a ton, and are going higher. Has the minister heard anything of the kind, and has he taken any steps to correct the trouble, if the statement is true?

Sir GEORGE FOSTER: I have not officially any information with reference to the matter. I have seen statements in the newspapers. The market in the United States is open for the sale of such products and the millers appear to be simply availing themselves of a market which is open to them. They are selling at such prices as they choose to sell.

[Mr. Doherty.]

RECRUITING FOR CANADIAN AND BRITISH FORCES IN THE UNITED STATES.

On the Orders of the Day:

Hon. CHARLES MURPHY (Russell): I would direct the attention of the Minister of Militia and Defence (Sir Edward Kemp) to this despatch from New York, dated August 11th, which appeared in the Montreal Gazette:

> More than 5,000 men for Canadian and British forces have been recruited in this country by the British recruiting commission, it was announced here to-day. About 4,400 of these have already gone forward to the depots in Canada, it was stated, the other 600 having been granted time to arrange their affairs.

I desire to ask my hon. friend if the numbers mentioned in this despatch were included in the statement given by him to the hon. member for Halifax (Mr. A. K. Maclean) a few days ago.

Sir EDWARD KEMP: I could not say whether that would agree with the report I gave the member for Halifax. I have not had the United States returns for a week or so. I asked for them this morning. I have not the figures in my mind at the moment.

RUMOURED PEACE PROPOSALS.

On the Orders of the Day:

Mr. MURPHY: May I ask the Prime Minister a question? There is a rumour current to the effect that proposals for peace have been made to all the belligerent countries. Has any such proposal come to this Government?

Sir ROBERT BORDEN: I have not heard of anything of the kind.

CANADIAN EXPEDITIONARY FORCE.

CHANGES IN THE MEDICAL SERVICE.

On the Orders of the Day:

Sir SAM HUGHES: In view of the delay attending the publication of Colonel Bruce's report on the Babtie commission, I would like to ask the First Minister if he will be good enough to tell us what changes have been made in general in the Medical Service in England and at the front within the last twelve months, and whether any further changes are in contemplation, and if so, what is their nature? I do not want the data to-day. I would like to give the Prime Minister an opportunity to make a statement on the question. The reason I ask

is while we are aware that certain changes have been made along the lines recommended by Colonel Bruce, nevertheless there are other matters of very serious import. I want to give the Government an opportunity of taking charge of the question without any inquiry, but if it does not do so there will have to be some statement in justice to the soldiers and in justice to all concerned, and I will ask for a day to discuss the question. I would like to let the Prime Minister prepare a statement on it at some convenient time.

Sir ROBERT BORDEN: I will see that the information is available.

CANADIAN RAILWAY SITUATION.

MOTION FOR SECOND READING OF CANADIAN NORTHERN RAILWAY BILL.

Hon. Sir THOMAS WHITE (Minister of Finance) moved the second reading of Bill No. 125, providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway Company.

He said: In introducing this legislation to the House, I made so complete a statement as to the reasons actuating the Government to acquire the whole of the capital stock of the Canadian Northern Railway Company, that I deem it unnecessary to say anything further in that connection. I shall, therefore, confine my remarks upon this, the occasion of the second reading of the Bill, to the principal features of the criticism that was offered to the resolution in committee. The criticism was mainly along three lines. First, it was suggested by certain hon. gentlemen opposite that the Dominion Government, instead of acquiring the capital stock of the Canadian Northern Railway Company, should expropriate the physical undertaking of the company and of the constituent and subsidiary companies constituting the system. Under the legislation which we are adopting, the Dominion Government, by acquiring the capital stock of the Canadian Northern Railway Company, preserves the entities of the Canadian Northern Railway Company and of the constituent and subsidiary companies. If we adopted the suggestion that was made that we should acquire the physical properties of the several companies in the system, we should own the assets of all those companies as the Government now owns the Intercolonial and the National Transcontinental from Moncton to Winnipeg.

In passing, I may say that such a policy would be in direct contravention of the recommendations of the Drayton-Acworth report, and of the report of the chairman of the commission, Mr. Smith, president of the New York Central Railway Company. Apart, however, from that consideration, there is a great and manifest advantage in maintaining the corporate identity of the Canadian Northern Railway Company, and of its subsidiary and constituent companies. Particularly is this so with reference to the question of the financing of these companies. I pointed out to the House, when we were in committee upon the resolution, that the Canadian Northern Railway Company had in addition to a large funded debt a considerable short term and floating indebtedness, amounting to about $98,000,000. If the Dominion Government acquired by expropriation the physical assets of the Canadian Northern and the other railways in the system, it would be obliged to find the money to take care of the short date and other indebtedness I have mentioned, or if it failed to find the money to take care of that indebtedness, it would follow that the creditors of the company in respect of the short term and floating indebtedness, would be in a position to appoint a receiver, with the result that the funded indebtedness would at once become due, as to the principal owing under several trust mortgages securing it. The result would be chaos so far as the financial condition of the system is concerned.

I point out to the House that the short term and floating indebtedness is such as to be of some concern to the Government, if it had to be provided for forthwith even in ordinary times; but by reason of the fact that we have entered on the fourth year of the war, with the enormous expenditures which we have in connection therewith, it would be a most serious matter for us to take over the physical properties and assets of this system and find the money to meet not only the floating and short-term indebtedness, but other indebtedness if it should become due by reason of litigation affecting these companies. We take over the system by acquiring its common stock. That will enable the companies, as companies, to continue to finance. So far as concerns the short-term obligations of the company, the Canadian Northern can, in the future, as it has in the past, endeavoured to extend these obligations as they mature, or make fresh issues under its corporate powers in that behalf. The result is that the Dominion Government should not be called upon to

any considerable extent to immediately pledge its credit in the raising of loans for the Canadian Northern system. The same remark will apply to the financing of the purchase of rolling stock which may, and will, be required for the Canadian Northern system and its subsidiary companies. There is great need of rolling stock on the part of all the railways of Canada with the exception possibly of the Canadian Pacific. Taking over the Canadian Northern Railway Company as we do by acquiring its stock and preserving as we do the corporate entity of the company, there is no reason why the Canadian Northern should not continue to issue rolling-stock bonds as it has in the past. I think the House is quite familiar with the character of those securities. If the Dominion Government took over the physical properties of the system it would be obliged not only to take care of the large indebtedness which of necessity would become due, but also would be obliged to find the money to purchase equipment, because I cannot conceive of the Dominion Government issuing debentures secured by the pledge of rolling stock.

So much for that phase of the criticism which was offered to the resolution in the committee stage. The other criticisms were, first, that on account of the findings of the Drayton-Acworth report, there was no value in the common stock which we proposed to submit to arbitration, and, secondly, it was suggested that instead of arbitration there should be a reference to the Exchequer Court. I shall deal briefly with these two features of the criticism to which the legislation has been subjected. It has been stated by hon. gentlemen opposite that the Drayton-Acworth report expressly finds that there is no value in the property of the shareholders of the Canadian Northern Railway Company. On page 44 of the report they reached this conclusion.

> We conclude, therefore, that the shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern.

Some hon. gentlemen opposite, resting upon that finding, have submitted that there is no value in the common stock which could be submitted to the decision of arbitrators. Sir Henry Drayton and Mr. Acworth, in reaching their conclusion, deal, first, with the question of the cash investment, page 41 of the report, and their finding under that heading is that $370,000,000 is the maximum possible cost of the Canadian Northern system as at present existing. They deal, secondly, and this is one of the most important portions of their report, with the physical basis. At page 43 of their report they say:

> But money cost is not all. We decided also to ascertain the approximate value, on the basis of reproduction cost, of the property as it exists to-day. And we rely on Professor Swain's valuation for this purpose.

After adverting to his valuation they find that the value on the basis of reproducing the entire physical Canadian Northern system in its present condition is $402,749,663. They go on to say:

> Now the outstanding liabilities (bonds, debentures, notes, and bank and other loans) of the company exceed $400,000,000.

On page 44 they refer to the valuation upon the basis of the company as a going concern and they state that:

> Calculating on this basis, in the light of the figures set out above, it is evident that no purchaser would offer for the property a sum amounting to the total of its liabilities.

Upon this finding some hon. gentlemen opposite have argued that there should be no submission to arbitration because of the calculations of the commissioners as to the value of the assets, the amount of the liabilities of the company and their opinion of its value as a going concern. But, I would point out to the House that there are certain important omissions in the Drayton-Acworth report. Professor Swain himself overlooked in his valuation the land owned by the company amounting to 3,000,000 acres, of which 2,000,000 are in the province of Ontario, 400,000 in the province of Quebec, and, speaking from memory, about 800,000 in the West. He also overlooked the deferred payments on lands sold amounting, according to the statement of the company, to $7,000,000 and cash in land sales trust account of $2,400,000.

The position then is that Professor Swain, in his valuation of the undertaking, overlooked a substantial body of assets. In his report, on page 43, he calls attention to the working capital and cash on hand, his statement being:

> In an estimate of physical valuation on the cost of reproduction basis, it is usual to add to the value of physical elements a certain sum for working capital, for the reason that a company beginning operations with only the physical elements in its possession, and no working capital, would be unable to do business. For this reason, the addition of a certain sum for working capital has been frequently approved by courts and commissions. Cash on hand, is, of course, a physical asset.

He goes on to say—and when he says "your attention" he means the attention of the commissioners:

> Your attention is called to these two matters for the reason that neither have been included in the present valuation, and it may be desirable for you to inquire as to the cash on hand and to take account of it as well as of a proper allowance for working capital, in whatever use you may wish to make of the results of this valuation.

Messrs. Drayton and Acworth, in their report, inadvertently overlooked that recommendation of Professor Swain's.

Mr. MURPHY: Was Prof. Swain's attention brought to these omissions and did he admit that he made them?

Sir THOMAS WHITE: I am unable to make a statement about that. It is clear the omissions were made; there seems no doubt that Messrs. Drayton and Acworth inadvertently overlooked this recommendation of Prof. Swain that they should consider cash and working capital, and, as a result, cash to the amount of $25,000,000, and current accounts to the amount of $8,700,000 were not included in their valuation of the assets of the Canadian Northern system. On the other side of the account, the commissioners overlooked the income charged convertible bonds amounting to about $25,000,000, so that the findings of the Acworth-Drayton Commission, namely that the outstanding liabilities of the company exceed $400,000,000 and that the assets are represented by the sum of $402,000,000, is not quite accurate. I do not mean to say for a moment that this common stock is worth the difference between the liabilities and the assets of the company.

Mr. PUGSLEY: In the statement of liabilities which Prof. Swain has found to be $400,000,000, are the land debenture bonds included?

Sir THOMAS WHITE: They are included. So that while the liabilities were included on the one side the asset held in respect of the liability was not included upon the other. I do not at all admit that the difference between the assets and liabilities is at all determinative of the value of the common stock. We do not admit that the common stock is at all worth the difference between the assets and the liabilities of the company, and in that connection I wish to read an expression of an opinion of Prof. Swain with reference to the elements which should enter into a determination of the value. On page 4 of his report, Prof. Swain deals with the principles of physical valuation, and, in passing, he says:

> The word "value" is one of the most uncertain in the dictionary of economics and several distinct meanings are given in treaties on that subject.

He goes on to elaborate that point, and says:

> There is no sentiment about a commercial property like a railroad. The real value of such a property is measured by its earning power and by nothing else. No matter how costly or how inexpensive it may have been originally, its value in exchange will be measured by its earning power. Prospective earning power, perhaps under altered conditions, must of course be considered. Some properties, therefore, have a so-called "strategic" value, because, while they may earn nothing by themselves, they may be combined with other properties in a way to produce or enhance earnings.

Then with regard to the question of the value of the physical properties of a railway company, he makes the following interesting and illuminating statement:

> The valuation of a property is generally for the purpose of ascertaining what the courts have termed "the present value," or "fair present value." Just what the present value, or the fair present value may be, is not easy to state, and probably cannot be stated. The courts, however, have frequently stated what it is not. They have again and again laid down the principle that it is not original cost. In some instances they have stated that it is not the cost of the reproduction new, but it is generally admitted, I think, that both the original cost and cost of reproduction new, and also the depreciation, depending upon circumstances, are all elements which may affect the judgment as to the "fair value."

In other words, none of these things are conclusive; they are only elements in the question of what is the fair value in connection with a system such as this, which would, I think, be proper for arbitrators to take into consideration in valuing the assets and liabilities—not as determining factors but as elements in the determination of what is a fair value.

There will also be the question of the earnings of the Canadian Northern Railway Company, present earnings and prospective earnings. At present the Canadian Northern Railway Company is not earning sufficient over its operating expenses to quite pay its fixed charges. There is a further fact which I am sure the arbitrators would take into consideration, and that is the serious financial position of the company at this time. There are no doubt other factors, but the arbitrators, taking into consideration all the elements which I have

mentioned, would undoubtedly be able to reach a fair conclusion as to what was the equitable or reasonable value to place upon the common stock of the Canadian Northern Railway Company which we propose to acquire. Therefore, in so far as criticism of the arbitration proposals is founded upon the statement in the Drayton-Acworth report, it would seem to me not to be conclusive. Such a considerable body of assets has been overlooked on the one hand, and such a considerable amount of liability on the other hand, that undoubtedly the findings of the commission, through inadvertent mistake, are not entitled to be regarded as conclusive.

Another objection which was made by some members was that the value of this stock should be determined by the Exchequer Court. I may say that the Government concluded against this course for the reason which I think I indicated when we were considering the resolutions in committee, namely on account of the time which would be taken in litigation of this kind before a Court of Record—a court bound by hard and fast rules of procedure and by the technical laws of evidence. I think any lawyer in the House will agree with me that, having regard to the magnitude of this system, the expert evidence which could be called on both sides, the determination by accountants of liability, and generally the litigation of so large a question, the determination of this issue before a court of record, which has other business to transact might take two years, and I am sustained in that view by the opinion of the Department of Justice. On the other hand, it occurred to us—and this was the principal reason for determining upon arbitration—which, I might say in passing, was recommended by the Drayton-Acworth report as a mode of settling the differences between the Canadian Northern Railway Company shareholders and the Dominion Railway Company—that arbitrators could proceed in summary fashion. They will not be bound to the same extent, under the language of this legislation, by the hard and fast rules of evidence, but can proceed expeditiously to the determination of the question of what is the fair value of the stock of the Canadian Northern Railway Company. We therefore thought it would be fair to all parties concerned if the value of this stock which we are about to acquire was determined by a Board of Arbitrators, one to be appointed by the Dominion Government, one by the owners and pledgees of the stock, and the third to be agreed upon by those two, or, failing agreement, to be appointed by the senior judge of the Exchequer Court. For the information of the House I might say that the arbitrator whom we have had in view, and whom I am able to say will act for the Dominion Government, is Sir William Meredith, Chief Justice of Ontario. I am sure all members of the House will agree with me that the interests of the people of Canada in so important a transaction as this could not be confided to more capable or more trustworthy hands.

Mr. DEVLIN: What experience in railway matters has Sir William Meredith had? This matter is not to be referred to the Exchequer Court but to arbitrators—arbitrators, presumably, who have some knowledge of railway matters. What knowledge of railway affairs has Sir William Meredith?

Sir THOMAS WHITE: The judicial experience of Sir William Meredith, Chief Justice of Ontario, to say nothing of his long experience as a lawyer of the highest standing, is such as to eminently qualify him for a position such as this, in which he will represent the Dominion Government in determining the value of this stock.

Mr. MURPHY: That is hardly an answer to the question of my hon. friend (Mr. Devlin).

Sir THOMAS WHITE: It would appear to me to be a very complete answer. My hon. friend says: Why not refer the matter to the Exchequer Court? If I used the same argument as my hon. friend I might ask what experience has the judge of the Exchequer Court had in practical railway matters? Judges are men who acquire an immense amount of information in connection with their judicial duties. Apart from that, evidence will be submitted to these arbitrators by the Dominion Government and by the owners and pledgees of the stock as to its value. It would appear to me, therefore, that the interests of the people of Canada could not be entrusted to more capable or more trustworthy hands than to those of the Chief Justice of the province of Ontario.

Mr. MURPHY: Has my hon. friend determined on counsel, as well as an arbitrator, to represent the Dominion Government?

Sir THOMAS WHITE: No, we have not considered that.

Mr. PUGSLEY: Section 4 says that the arbitrators, in determining the value of the shares, may apply their own judgment. Does the minister think there would be an appeal to the Supreme Court of Canada with respect to the exercise of that judgment?

Sir THOMAS WHITE: I think there would, because we have been careful in the wording of that section to provide that there shall be an appeal to the Supreme Court of Canada on questions not only of law, but of facts. I do not desire to elaborate, but I do not think it would be possible to secure as arbitrator for the Dominion Government in this important transaction a man having actual railway experience who would have the qualifications possessed by the gentleman whom I have mentioned.

Mr. GRAHAM: If the Bill now before the Senate should pass, would it be possible for Sir William Meredith to act?

Sir THOMAS WHITE: I have the consent of Sir William Meredith to act for the Dominion Government as arbitrator, and I anticipate no difficulty in connection with the legislation my hon friend mentions or any other legislation.

It is not my intention to take up further the time of the House because, as I stated at the outset, this matter was very fully discussed during the committee stage. In concluding, I just wish to say further that by acquiring all the capital stock of the Canadian Northern Railway Company the Government obtains the ownership and control of the entire system—a system of 9,500 miles of railway, with the appurtenances of telegraph, express, steamship, elevator, storage and other facilities. The system cannot render the service which it should to the people of Canada unless it is financially able, not only to pay its fixed charges and provide for betterments and improvements, but also to provide for needed extensions. If we brought down, as was suggested by some hon. gentlemen opposite, legislation providing assistance of a temporary character this year, such as was brought down last year, that would only be postponing the problem. Next year there would be the same application for assistance and the same need of relief. The same may be said of the following year; in fact, it is not too much to state that for the next three or four or five years, the Dominion Government would be compelled each year to make provisions for further assistance to the Canadian Northern Railway Company if we proceeded upon the basis of our action of last year. But that, as I stated last year, is not to be thought of. We appointed a commission for the purpose of finding if possible a permanent solution of the question, and with regard to the assistance which the Dominion Government will be called upon now to furnish to the Canadian Northern Railway system, we can say this: The benefit of the expenditure from the funds so granted by way of assistance, whether employed for the purpose of providing betterments and improvements or acquiring rolling stock or making extensions, will inure to the new owners, the people of Canada, who will own the entire $100,000,000 of the capital stock of the Canadian Northern Railway, and thus control the entire system.

I move the second reading of the Bill.

Hon. GEORGE P. GRAHAM (South Renfrew): Mr. Speaker, we are in a somewhat peculiar position regarding this Bill; it cannot be said that the situation is absolutely clear. Three parties seem to be concerned in this proposal: first, the Government of Canada; second, a group of financiers, bondholders and others; and, third, Mackenzie and Mann. From the information so far brought down we have no documentary evidence that the Canadian Northern Railway Company has asked for this legislation; neither have we any documentary evidence that Mackenzie and Mann have asked for aid. On the contrary, the statements presented to the House by the Canadian Northern Railway Company rather indicate that Mackenzie and Mann believe that they could swing this enterprise without legislation. It looks as if the financiers behind the owners, not the owners themselves, have asked the Government to pass this legislation and to take over the enterprise.

It can readily be seen that to the bondholders Government ownership of the Canadian Northern would be much more attractive than private ownership of the system under existing conditions. Should this Bill become an Act of Parliament, at once the holders of those securities will find themselves the possessors of a value that they never anticipated and never would have realized had this legislation not been introduced. To them it will be a wonderful and a very profitable piece of financing. However, this Parliament has to do what is best for the country rather than what is best for private individuals. Regard for the interests of the financial group or for the interests of Mackenzie and Mann must, in the minds and acts of members of Parliament, take a secondary place to what

is considered to be in the best interests of the people as a whole.

My hon. friend has discussed the arbitration provision and the proposal to have a reference to the Exchequer Court. It is unnecessary for me to reply to this portion of my hon. friend's argument, because I propose to move an amendment that will require neither arbitration nor Exchequer Court proceedings.

The Minister of Finance has rather repudiated the Drayton-Acworth report. I am not going to argue whether that report be correct or incorrect. A great deal of work was done in connection with it and a great deal of industry was displayed; but I am going to brush that to one side; I am not going to ask the House to consider whether the Drayton-Acworth report is reliable or unreliable. It does seem peculiar, though, that a report made by such eminent gentlemen, appointed by the Government, should contain a mistake of so many millions and that that mistake should be discovered only to-day. I do not say that the mistake did not occur; but if it did occur—then the Lord deliver us from the findings of commissions. After all, though we may read reports and statements, we have to come back to our own judgment and take the responsibility of what we do, regardless of what commissioners may find. I am sure that the Minister of Public Works (Hon. Robert Rogers) agrees with me in that respect.

My hon. friend has referred to the short term liabilities. If my memory serves me correctly, these short term liabilities carry with them collateral of Government securities. As a matter of fact, if the Canadian Northern were able to renew its short term notes, the Government of Canada would find the securities which it had guaranteed put up as collateral for these short term notes. So that the situation in reference to these short term notes remains practically the same whether the Government owns the road or whether it is left in the hands of the Canadian Northern Railway Company.

I suggested a few moments ago that it was the group of financiers interested, not Mackenzie and Mann, who were urging the Government to take over this enterprise. The Finance Minister has brought down to the House a statement made by his own department which indicates that, at least in certain respects, Mackenzie and Mann have not defaulted. I refer to the provision in the statute of 1914, under which the Government agreed to advance the interest on the $45,000,000 guarantee for three years, divided into six semi-annual payments. This interest was to become part of the capital loan to the Canadian Northern, and was to be repaid when the $45,000,000 were repaid, but the company agreed to pay regularly the interest on this advanced interest. The statement brought down by the Finance Minister shows that the Government has advanced to the Canadian Northern under this section of the statute $2,634,500.01, and that the Canadian Northern has paid interest on this interest to the amount of $35,952.04. The next payment of interest becomes due on September 1; therefore they cannot be said to be in default.

I have intimated that the statement presented to the Government and by the Government to the House rather lead one to the conclusion that Mackenzie and Mann or the Canadian Northern Railway Company believe that the enterprise could get along without any legislation by this Parliament at this time. I have before me a statement made by the assistant to the vice-president, Mr. Mitchell; it is an interim condensed general balance sheet of the Canadian Northern Railway system at April 30, 1917.

Mr. CURRIE: Has that been tabled?

Mr. GRAHAM: Yes. This includes a statement of estimate of cost to complete lines and terminals under construction and financial provision for the same; statement of contractors' and other construction accounts outstanding, June 30, 1917; memorandum re unsold lands; estimate of amount required for betterments and rolling stock for three years. This would seem, although it is an interim report up to April 30, 1917, to cover everything in connection with the Canadian Northern. I will not weary the House by reading this statement. but I will merely point out that, in the statement of assets and liabilities, Mackenzie and Mann claim a surplus of $37,494,870.71.

Mr. R. B. BENNETT: What value is placed upon the lands?

Mr. GRAHAM: I will come to that in a moment.

Mr. PUGSLEY: That is over and above the common stock of $100,000,000.

Mr. GRAHAM: There is another statement showing the estimate of cost to complete terminals and lines under construction and financial provision for same, June 30, 1917. In fairness I should add that the

statement from which I have just quoted is made up only to April 30, 1917; it is impossible to get the detailed returns up to June 30, 1917, but the estimate I am now reading and the other facts in this statement are all of June 30, 1917. That would be a year later than the date of the statement in the blue-book now in our possession. I might give some of the details:

Western lines	$1,612,005
Eastern lines	110,000
Total	$1,722,005

Estimate cost to complete terminals already under construction:

Montreal terminal	$ 578,000
Toronto terminal	338,094
Pacific Coast terminals	1,500,000
Total	$2,466,094

or an estimate of the total requirements for construction of $4,188,099.

Mr. GLASS: Are those the estimates of the company's engineers?

Mr. GRAHAM: Those are the estimates presented to the Government by the company and presented to the House by the Government. The company claim to have made financial provision for all this construction as follows:

Cash in Trust Accounts applicable to above construction	$3,683,831
Government Guaranteed Securities	217,160
Canadian Northern 4 per cent Debenture Stock	287,108
Total	$4,188,099

In other words, the company presents to us a statement showing that they have made ample provision, without any further aid from this Government, for the completion of the construction now undertaken, and for the lines that they consider ought to be constructed during the war. It is only fair to say that this does not include all the construction work or all the proposed construction work of the Canadian Northern, but only that portion of it which the company deems necessary should be undertaken and completed even if war be in progress. I will read the note at the bottom of this statement so that there will be no misunderstanding:

4 p.m.

The above does not represent the complete construction programme of the company, but only that portion of same which it is desirable should be proceeded with. Arrangements could be made to defer the balance till after the war, when same will be subject to such changes as conditions may necessitate.

It will be observed that for the present, and for the term during which the war is likely to last, the Canadian Northern submit to the Government a statement showing that they desire no aid for this purpose, as they have made complete provision for it in the manner outlined in the statement I have read. Then we have a statement of outstanding accounts. I will not give the entire statement, but will intimate to the House that the outstanding accounts amount to $999,566.95, or about $1,000,000. My hon. friend (Mr. R. B. Bennett) asks me what value the company places upon the land. So that there may be no error, I will read the whole statement.

Lands unsold.	Acres.	Price per Acre	Amount
Manitoba and Saskatchewan	843,127	$15	$12,646,905
Ontario	2,000,000	3	6,000,000
Quebec	402,860	3	1,208,580

or a total value placed on the unsold lands in these four provinces of	$19,855,485
Deferred payments, payments receivable with accrued interest to date	$ 7,140,996 59
Cash in hand, National Trust Company, Ltd., 1899 and 1909 bonds	2,408,683 57
Or a total of	$29,405,165 16
Mortgages outstanding—	
4 per cent Land Grant Bonds, 1899	$ 2,000,000 00
4 per cent Land Grant Bonds, 1909	2,217,740 00
5 per cent Land Mortgage Debentures, 1913	17,033,333 33
Total	$21,251,073 33

Or a credit balance, if this statement be correct—and it is presented by the company—of something over $8,000,000. There is a note here which I will read:

1913, selling price western lands, average, $15.36 per acre; 1914, $15.23; 1915, $15.53, and 1916, $16.37.

Hon. gentlemen will see from that that the company itself, in its statement presented to the House, indicates that it is not in a bad financial position; that it has money to carry on its undertakings. That

forces the conclusion, at least upon me, that it is not the company that is pressing for this legislation, but it is some people behind the company who advanced money to the company and who feel that not only would their investment be more secure were this railway in the possession of the Government, but its value would be enhanced by millions upon millions of dollars.

I have here another statement—estimate of amount required for betterments and rolling stock:

1918..	$6,590,000
1919..	8,355,000
1920..	8,317,500

I have read those statements by the company to prove what I have stated once or twice before, namely, that there seems to be three distinct parties to this proposal—the Government, the group of financiers, and the bondholders of the Canadian Northern Railway.

I am not sure that these lands will bring the value the company places upon them, but, apparently the company thinks they will.

I am rather going to take the viewpoint of the Minister of Finance that something should be done. What is it? I am of the opinion that the time has come when the people demand that we cease giving further annual or semi-annual aid to the Canadian Northern Railway Company. There are only two ways by which this can be obviated, one would be the purchase of the Canadian Northern by some other corporation. This has not been discussed at length in the House, and I will not intrude it. The other way is for the Government of Canada, on behalf of the people, to get possession of the Canadian Northern in a manner that will be equitable. The Government proposes to take over the road to become the possessor of the $60,000,000 remaining common stock, leaving the value of that stock to be fixed by arbitration. I shall not hark back to the Drayton-Acworth report again, because the Government has rather put it out of business. I shall endeavour to prove my contention as to what should be done, without reference to the Drayton-Acworth report, or to the report made by Mr. Smith, president of the New York Central Railway.

There is a method provided for the taking over of the road under the statute of 1914, and such a step was fully contemplated by the Government, and by Parliament, and its decision only three years ago was embalmed in a statute. This Parliament made a contract with the Canadian Northern Railway, and under that contract, and based upon its terms, we in this House were induced to vote further aid in the way of a guarantee of $45,000,000 of bonds. I contend that if there be default—and that is the condition under which this statute can be made operative—then not by new legislation, not by expropriation, not by the purchase of stock, should this property be acquired, but it should be acquired under the contract made between the parties in 1914.

Let me read one of the clauses in the statute. It will be found in Chapter 20, George V, section 24:

> If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises, and every part thereof, shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding.

That is the basis on which we in this House consented to give Mackenzie and Mann a further assistance to the extent of the guarantee on $45,000,000 bonds, in the year 1914. Now, I ask you, Sir, and I ask the members of this House, and I ask the country, what has happened that would justify a deviation from that plain contract made with the company? Is there any reason? If there be, it has not been presented to the House. I will quote from the Minister of Finance, to see if under that statute we are now in a position to take over the property as indicated in the section I have just read. Has the condition arisen by which this section can become operative? In other words, is there default, present, or premeditated, or anticipated? It may be remembered that in 1914 the Finance Minister, and, I think, the Solicitor General, spoke very strongly concerning the stringent terms of this statute, and assured the House that they could take over the road without any process of law, by Order in Council, and left us with the impression, at least, that when we were assenting to the passage of that statute, if default should arise they would act under statute. That was the real reason the House consented to the passage of the Act.

Mr. BURNHAM: Is not that the very weakness of the hon. gentleman's argument? There has to be a smash-up, or a break-down, before this comes into effect?

Mr. GRAHAM: I would not like to say a "smash-up" or a "break-down," but I think I know what the hon. gentleman means. I will refer him to the Minister of Finance to show that the conditions have arisen which were provided for in this statute.

Mr. BURNHAM: But "premeditated" and "actual" are two different things.

Mr. GRAHAM: I will probably have it "actual" before I am through. When the Minister of Finance introduced the measure in 1914, he assured us that this statute was so framed that in the event of any default the road would practically automatically come into the hands of the Government. On August 1, 1917, the minister said —and it is evidence that the conditions have arisen when this Act should come into force, or if they have not arisen why the legislation now before the House?

Mr. BURNHAM: That is easily answered.

Mr. GRAHAM: It may be for people who are not particular about the answer. Let me read what the minister said:

> The position of the Canadian Northern today is this: The company has a certain amount of net earnings. Its revenues are such that, after paying all fixed charges, it has a surplus. On that statement one might ask: Why should the Canadian Northern require any aid from the Government of Canada? The answer is very simple. Any railway system requires continually to make expenditures of a capital nature, not only on needed extensions—and I believe very few of these are being made at the present time—but on betterments, and requires to expend vast sums in the purchase of rolling stock in order that the public may be served and that the business may be carried on profitably. The essence of the situation, in so far as the Canadian Northern is concerned, is that, although the company makes net earnings, any surplus cash it has on that account it requires to pay for betterments and rolling stock.
>
> The result is that the company is short of cash for the purpose of paying interest upon its underlying securities. If the cash is used for betterments and for the purchase of rolling stock, it is obvious that it is not available for the payment of the underlying interest charges. Put it the other way. If it is used for the payment of underlying interest charges, the necessary betterments to the road cannot be made nor can rolling stock be purchased. It is not possible for the company, as it would be if the war was not on, to issue further securities for the purpose of paying for these betterments and acquiring rolling stock. That is what a company does in peace times when conditions are such that it can float its securities, but the prolongation of the war has made it impossible for the Canadian Northern to float any additional securities, to issue any further debenture stock, and consequently it has to take its earnings to pay for betterments and the purchase of rolling stock and to meet the instalment payments on account of principal maturing on rolling stock. It is therefore unable to pay its underlying interest charges.

That would seem to be default.

Mr. BURNHAM: That is so declared; that is different.

Mr. GRAHAM: If I had my hon. friend's powers of reasoning I would be delighted with myself.

Mr. R. B. BENNETT: There is a section in the 1914 statute which declares what default is.

Mr. GRAHAM: I am going to refer to that in a moment. Then the minister goes on to say:

> In addition to this, the company has had to do a great deal of short date financing. There is outstanding, secured, for the most part, by Dominion or provincial guaranteed bonds or debentures, short-term loans floated in New York or London. The amount of that ordinary, short-term liability is about $100,000,000, extending over a period of two years or more. It is not possible for the company, by the issue of permanent securities, to fund that debt. Therefore, it is obliged from time to time to renew these short-term securities, and to carry on as best it may from year to year. The company have, in the past, come to the Government and asked us, as they did last year, to make them a loan of a sufficient amount to take care of the underlying interest charges and to meet the maturing instalments of principal upon rolling stock.

The minister states clearly that the company cannot pay interest on its underlying securities. Let us see if it is in default. I have read the minister's statement in the House to show that the Canadian Northern has not been able, and is not now able, to pay interest on its underlying securities. Section 21 of the statute of 1914 tells us what default means. It says:

> 21. The following shall be events of default within the meaning of this Act, viz:—
>
> (a) If the Canadian Northern shall make default in payment of the principal or interest of the guaranteed securities or any part thereof, or default in observing or performing any of the provisions of the New Trust Deed, and the security constituted by the New Trust Deed shall thereby become enforceable;
>
> (b) If while any of the guaranteed securities are outstanding in the Canadian Northern or any Constituent or Subsidiary Company shall make default in the payment of the principal or interest or any other part thereof, of any securities heretofore or hereafter created or issued under the existing trust deed or mortgage securing the same, or under any future trust deed securing securities having priority to the guaranteed securities, or default in observing or performing any of the terms of any such existing

or future trust deed or mortgage, and the security constituted by any such trust deed or mortgage shall thereby become enforceable;

(c) If, while any of the guaranteed securities are outstanding, an order be made by any court against any company in the Canadian Northern System for the appointment of a receiver or for possession, or if a receiver be otherwise appointed or possession be otherwise lawfully taken of the whole or part of the undertaking.

That indicates clearly that if they at any time default in the payment of interest or principal then this section 21 becomes enforceable and we surely should not run away from the enforcement of our own statute passed only three years ago to cover the case that arises to-day and the existence of which was contemplated when we passed the statute.

Mr. BURNHAM: That has not been so found.

Mr. GRAHAM: Well, my hon. friend does not accept the minister's statement.

Mr. R. B. BENNETT: There was a default in addition to that because of the non-payment of a demand loan last year.

Mr. GRAHAM: My hon. friend from Calgary says there was a default because of the non-payment of a demand loan last year. But, let me point this out: I see what is in the mind of my hon. friend (Mr. Burnham), or I think I do. He says there is a statement showing that the interest has been paid and that certain other interest has been paid. But, who paid it? Did the Canadian Northern? They made default, or they would have made default, if the Government had not come to the rescue, and it will have to do the same thing again. The Minister of Finance said so plainly in his remarks. I think there can be no question that—unless my hon. friend is revolving his ideas around a technicality—the Canadian Northern is in default in so far as the company itself is concerned, and that it will only be saved from a second default by the action of the Government and by another payment to it.

Mr. BURNHAM: What is the difference between this case and ordinary foreclosure proceedings to enforce the payment of a debt?

Mr. GRAHAM: There is a particular statute covering this case. This is not an ordinary foreclosure case, but a summary foreclosure by Order in Council. Let me give the statement made by the Finance Minister. It is patent, for the reason stated by the Finance Minister, that in order to save the company from a real default last year we advanced $15,000,000 with which to pay interest. Now we are asked again to do something else. I want to refer to what the Finance Minister said a moment ago. He said that if we were to take expropriation proceedings it might be possible that the whole system would be thrown into the hands of a receiver by the action even of a subsidiary company, and that would possibly necessitate the Government taking up all the outstanding securities for the payment of which demand was made, and would involve the payment of six per cent interest on these securities which were running at three and a half and four per cent, and which, under the proposal made by the Government, would not have to be taken up until maturity. I am assured on high authority that under the proposal outlined in this statute there would be no such situation arising as that which has been suggested by the Finance Minister.

Sir THOMAS WHITE: If you foreclosed under the statute, would you not have to take the equity of redemption in the physical property of the Canadian Northern?

Mr. GRAHAM: If you foreclosed under this Order in Council the Government would become the proprietor of the Canadian Northern in place of the present proprietors.

Sir THOMAS WHITE: And would own all the physical properties of the Canadian Northern?

Mr. GRAHAM: Would own everything in connection with it except the $60,000,000 of shares and these would not have any value.

Sir THOMAS WHITE: You would acquire the physical property?

Mr. GRAHAM: You would acquire the ownership of the Canadian Northern under the statute. When we passed that statute in 1914 we surely understood what we were doing and what it will do to-day is the same thing that we knew it would do when the Government asked us to pass it in 1914. I see no reason why the Government should not act upon that statute by Order in Council. That would do away with the trouble about the common stock.

Mr. R. B. BENNETT: No, the section provides that that has to be paid for.

Mr. GRAHAM: Section 24?

Mr. R. B. BENNETT: On such terms and conditions as may be fixed by Parliament.

Mr. PUGSLEY: If any.

Mr. GRAHAM: If any. I had better read section 24 again?

If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment, or any rule of law or equity to the contrary notwithstanding.

Mr. R. B. BENNETT: Is that not exactly what Parliament is now doing—providing for an arbitration by which the terms to be paid for the stock will be settled.

Mr. GRAHAM: This present legislation contemplates paying a certain amount for the common stock.

Mr. BENNETT: If any.

Mr. GRAHAM: It contemplates it or makes provision for it because it gives tacitly a value to the common stock by saying that we are going to appoint arbitrators to ascertain what it is worth. I submit that the statute of 1914 never contemplated the legislation we have before us now. It contemplated taking over this property by Order in Council and it so stated. I can see no reason under all the circumstances why the Canadian Northern should have any exceptional treatment.

Mr. LALOR: Is it not a fact that in the former case the Parliament of Canada were to be the arbitrators and now we are appointing arbitrators in place of the Parliament of Canada.

Mr. GRAHAM: I said the other day that if the Government proposed to give them money for their common stock, let them have the courage to say so and let Parliament have the courage to carry out this statute and say what, if anything, we will give them. Then we will discuss it. But the Government is getting around it by the appointment of another commission, and I am not sure but that the Finance Minister, when the findings of that commission come in, will say: We do not believe in our commission; they made some errors.

Mr. MIDDLEBRO: You said that Parliament should have courage to say what amount if any the Canadian Northern Railway are entitled to. Would that not be assuming, in the same way as this, that they are entitled to some consideration?

Mr. GRAHAM: Parliament might say that they had no equity, or that the equity was worthless; and, if the Government think they have some equity, why not put it in the statute and not send the question to arbitrators?

Mr. MIDDLEBRO: We did not want to commit ourselves as was done in 1914.

Mr. GRAHAM: My hon. friend is learning by experience. He does not want to commit himself. That is a safe course to take before an election. He does not want to commit himself as Parliament did in 1914 to $45,000,000, out of the conditions of which commitment the Government is now trying to squirm. I am not going to be driven from this, even if I am questioned by every member in the House. We made a contract with the Canadian Northern Railway in 1914. They made a distinct contract with us. That contract provided that if that company defaulted, then, automatically, this property would become the property of the Dominion of Canada. Now we are trying to get around that by new legislation to buy the stock. The Minister of Finance says that the country does not take the property but becomes the possessor of $60,000,000 of stock and leaves it to arbitration, not to say, under this agreement, that the property is ours but to say what we shall pay as the value of its common stock, over and above the value of the property itself. Believing that, if this property is to be taken over, I think we ought to take it over—

Sir THOMAS WHITE: Hear, hear.

Mr. GRAHAM: I move the following amendment, seconded by Mr. Nesbitt:

That all the words of the question after the word "that" be struck out and the following substituted therefor:

"Whereas in the year 1914 this Parliament was induced to guarantee the securities of the Canadian Northern Railway Company for $45,000,000 on the representation that with that amount the said railway could be completed and operated without further aid from Parliament, which arrangement is contained in Chapter 20 of 4-5 George V.

And whereas by section 24 of the said Act it is enacted as follows:

"If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may

prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding."

And whereas the Minister of Finance in introducing this measure stated that the company is unable to pay its underlying interest charges and continue the proper operation of the road;

And whereas the report of the Commissioners appointed by the present Government to investigate and report upon the condition of the Canadian Northern Railway states that there is no value either actual or potential attaching to the capital stock of the Canadian Northern Railway Company: It is therefore resolved that in the opinion of this House Parliament should proceed to take over the said railway for the benefit of the people of Canada under the said provision of the said Act and that the capital stock of the said Canadian Northern Railway Company should be considered in the said foreclosure order as possessing no value and that nothing should be paid therefor.

Right Hon. Sir ROBERT BORDEN (Prime Minister): Mr. Speaker, my hon. friend from South Renfrew (Mr. Graham) has a habit of crediting every one in the world except himself with lack of courage and he was not free from that habit to-day, because he said that if the Government had courage they would come down to Parliament and state an amount which they regarded as the fair value of the $60,000,000 common stock of the Canadian Northern Railway Company and propose to Parliament that such amount should be paid. I ask hon. gentlemen opposite to imagine what a shout would have gone up from the hon. member for South Renfrew if we had done anything of the kind. He knows perfectly well the attitude he would have taken with regard to such a proposal coming from the Government. He knows perfectly well, in speaking of courage, that no hon. gentleman in this House has had more courage in the proposal of inconsistent policies with regard to the Canadian Northern Railway than he has had. I shall come to that in a moment, after making a few observations respecting his criticism of the proposals of the Government, and respecting the proposal which he himself has put forward.

In the first place, he finds fault with our proposals because the Canadian Northern Railway, he says, do not want this legislation, and they do not want any aid at all. Almost in the same breath with which he announced that conclusion, he informed the House and the country that the Canadian Northern Railway Company is actualy or potentially in default. Which statement shall we take—the statement at the commencement of my hon. friend's observations, or the statement at the conclusion) Is he able to say now on which ground he stands? I do not think my hon. friend has yet reached a conclusion as to that.

Mr. GRAHAM: Oh yes, he has, and he stated it distinctly.

Sir ROBERT BORDEN: He stated distinctly the two inconsistent propositions I have just mentioned. I am simply asking which of these two inconsistent propositions he will eventually stand for.

Mr. GRAHAM: I have made my statement.

Sir ROBERT BORDEN: More than that, he has made two statements, and more than that, he has made two inconsistent statements, and I have asked him which of these two he intends to stand for.

Mr. GRAHAM: My right hon. friend must have been nervous, or he did not hear me for some reason or another. I first stated the Canadian Northern attitude and quoted their statement as presented by the Government, to show their view point. Then I expressly stated that I agreed with the attitude of the Minister of Finance who said in his speech, that the company were in default.

Sir ROBERT BORDEN: The attitude of the Canadian Northern in regard to the matter does not support my hon. friend's position at all, and he knows that perfectly well. The attitude of the Canadian Northern is precisely that which the Minister of Finance has described, namely, that they have a great railway system built up in Canada but which is not yet completed, which has not yet had a fair opportunity to demonstrate what its earnings may be. In order to carry that road on to completion, and, more particularly, for the purpose of operating it, for providing betterments, and rolling stock, and everything else that is necessary, and besides all that, meeting fixed charges, it is necessary for the company to have a certain capital which they are unable to procure without the aid of the Government.

The Government came to the aid of this

road in 1914, and again in 1916. It also came to the aid of the Grand Trunk Pacific (an enterprise for which it was not responsible) in 1914, and again in 1916. So far as the Canadian Northern Railway is concerned, the Government has reached the conclusion that if, in order to prevent receivership or liquidation, further aid is necessary, that aid ought to be given to a road, the whole of whose capital stock is vested in the people of Canada, so that the people of this country may receive any benefit and advantage which would be derived from the aid thus given. That is a very plain statement of the Government's proposal on this occasion. It is perfectly obvious the Canadian Northern Railway cannot carry on and must face receivership or liquidation unless something is done. Some hon. gentlemen opposite have said that we should come to the aid of the road in 1917 as we did in 1916 and in 1914. We have reached the conclusion that further aid to the road ought not to be provided by this country unless the entire ownership of the road is vested in the people of Canada through the acquisition of the balance of the stock.

My hon. friend (Mr. Graham) went further and said not only that the Canadian Northern did not want aid, but that the aid had been asked for by financiers behind the road. I take absolute exception to that remark, for which there is no foundation whatever.

My hon. friend said further that the holders of securities would find this transaction a very profitable thing as far as they were concerned. Will my hon. friend inform me whether they will find it more profitable than they would have found it under the proposals which he supported in 1914, looking to the acquisition of the capital stock of the Canadian Northern Railway Company by this country at a valuation as high as $30,000,000? I think that proposal would have delighted the holders of these securities much more than the very modest proposals that the Government of the day is now putting forward. I would also point this out. In any event, the amount which must come out of the road, if it does not go into liquidation or into the hands of a receiver, is the amount of the securities with the added interest from year to year. In either the one case or the other, that is all that the holders of the securities can get, and therefore I am unable to appreciate my hon. friend's argument in the sense in which he placed it before the House.

He stated further that the Minister of Finance has repudiated the Drayton-Acworth report. According to my understanding of what the Minister of Finance said, he did nothing of the kind. He pointed out that in Professor Swain's report, certain elements of value which would have to be taken into account by arbitrators determining either the value of the road or the value of the capital stock, had been inadvertently overlooked by Sir Henry Drayton and Mr. Acworth.

I do not propose to accept the valuation of the Canadian Northern Railway Company as to the lands. I do not propose in this House to build up any argument which could be used by the Canadian Northern Railway Company before the arbitrators. But it is perfectly proper to point out, when it is set up by hon. gentlemen on the other side of the House, that there is absolutely no value in this stock or in the road, that these items were inadvertently omitted, and that the company itself puts forward certain claims in respect of other items which it alleges have been omitted, and as to which they are at least entitled to a hearing. The Drayton-Acworth Commission was not appointed for the purpose of determining the value of the Canadian Northern Railway system, nor for the purpose of determining the value of the stock of that road. Would any hon. gentleman in this House say that the interests of this country would be advanced by any action in this Parliament that would take away from any man or any group of men in this or any other country, his property against his will without giving him a reasonable hearing for the purpose of determining its value? We cannot do that, and I shall come in a moment to the statute of 1914 and shall demonstrate very clearly, if not to my hon. friend, to any reasonable man in this House, that the proposal which we are placing before Parliament is based on precisely the same principle that Parliament would have been obliged to follow under the legislation of 1914.

My hon. friend (Mr. Graham) read certain statements which have been tabled by the Minister of Finance, and he spoke of the needs of the company as to rolling stock and other requirements. He agreed that something must be done at this stage, and he agreed also, if I understood him correctly, that no more annual applications for aid should be entertained. Then he came down to the legislation of 1914, upon which he bases his chief argument. He endeavoured in the first place to distort the

statements of the Minister of Finance into a declaration that default has actually occurred. The statements of the Minister of Finance bear no such construction, and if my hon. friend examines them carefully I am sure he will agree with that. His principal allusion was to sections 21 and 24 of the Act of 1914. Let us look once more at section 24, and ascertain whether or not the necessary procedure under that section would be different from that which we are now proposing to Parliament. Section 24 is as follows:

> If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding.

In the first place, I invite the attention of the House to this: sections 22 and 23 provide that in certain events the Governor in Council may declare to be vacant the offices of the directors of the Canadian Northern and of any of the constituent or subsidiary companies and that the Governor in Council may thereupon appoint directors to the offices so vacated and proceed to assume the management of the Canadian Northern railway system. Then comes section 24, which provides that if any such default has taken place, the Governor in Council, upon such terms and conditions as Parliament may prescribe, shall declare the mortgaged premises to be foreclosed. The effect of that would be to take out of the ownership of the Canadian Northern Railway Company the physical properties now vested in that company and to transfer them to the Crown in the right of the people of Canada. The Canadian Northern Railway Company would cease to own the physical properties that were vested in it. The Canadian Northern Railway Company would cease to be the holder of the stock of the subsidiary and constituent companies; and the physical properties to which I have referred, as well as the stock in the constituent and subsidiary companies, would be vested in the Crown, in the right of the people of Canada. The road then being vested in the Crown, its operations would have to be provided for. We should either have to bring it under the administration of a department of the Government, under a minister of the Crown, or provide some machinery by which the operation of the road could be carried on on behalf of the people. But the member for South Renfrew seems to take it for granted that all this can be done by Order in Council. It cannot be done by Order in Council until the authority of the Parliament of Canada shall have first been obtained. Let me emphasize the language of section 24 in that regard:

> If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, etc.

What would be the duty of a government in this or in any other country if it came to Parliament with a proposal that certain property subject to a mortgage should be foreclosed, and that the title to that property should be vested absolutely in the mortgagee? Would it be a proper course for the Government to invite Parliament to confiscate that property without regard to the claims of the owners that the equity of redemption had some value? Even if the Government or Parliament were absolutely convinced that the property had no value, would it be according to the ordinary dictates of justice as administered in this country at all times in the past—and as it will, I hope, be administered in the future—that the right of hearing as to the value of the property should be denied to the persons in whom that property was vested? I venture to say that neither this Government nor any Government that could be formed on the other side of the House would come to Parliament and say: Although this claim as to value is put forward, we shall disregard it; we shall pass a resolution of this Parliament vesting in the Crown without compensation the equity of redemption which is now held by the persons who own this property subject to the mortgage. What, therefore, would be the proposal that a government, having reasonable regard to these considerations, should make to Parliament? It would ask Parliament to establish and define some tribunal before which the persons in whom the equity of redemption was vested should have reasonable opportunity of putting forward their claim, if any, and of supporting it by such evidence as might be available. That, it seems to me, would be the result if we proceeded under the statute of 1914, and that

is precisely the method which we are adopting in presenting to the House the proposals that are now under consideration. The only distinction, therefore, between the procedure under the Act of 1914 and the procedure proposed by the Government at this time is simply this: in the one case we acquire absolutely the ownership of the road by foreclosing the mortgage and vesting the title to the physical properties in the Government; in the other case we vest the ownership in the Government by the absolute acquisition of all the stock, maintaining the corporation as an entity and using the corporate machinery for the purpose of operating the road in order that it may not be brought under the direct administration of the Government itself. That is the difference between the one proposal and the other. I will repeat that in order that I may make my remarks perfectly clear to the House and to the country. In the one case, we should acquire, by arbitration or by reference to some similar tribunal, the equity of redemption in these properties, and having acquired that equity of redemption we should either have to administer those properties under the direction of the Government itself, or provide some machinery by which they could be administered without the direct intervention of the Government. In the other case, we do not take away from the company the ownership of the physical properties; we leave them in the company as they are at present, but we proceed to acquire the entire balance of the capital stock so that the road, to all intents and purposes, is vested and will remain vested in the ownership of the people of this country. To my mind, the advantage of that is obvious. By acquiring the stock without taking the property out of the ownership of the company we still use the corporate machinery, the staff of employees, all the organization that has been built up during fifteen or twenty years; we utilize all that; we operate the road by means of that; we avoid the evils and dangers which would attend the administration and operation of this road under a department of the Government. That is the difference between what is possible under the legislation of 1914, and under the legislation of to-day. The only distinction of any importance is one that I am prepared to maintain and support as obviously in the interests of this country; that is, in the operation of this road and in the administration of its affairs we shall use the corporate machinery; we shall not bring the road directly under the administration of a Government department.

Having regard to what I have said and the explanation I have made, what remains of the amendment of my hon. friend? I have shown, that, so far as principle is concerned, we have acted absolutely in accord with the statute of 1914, but we have modified it in this respect, that, under this proposal, we can use the powers of the corporation, the organization which it has built up and the machinery at its disposal, and we could not have done that if we had pursued in every respect the method embodied in the legislation of 1914. Therefore, when my hon. friend, with something of a flourish at the commencement of his speech, said that he had a method that would avoid any inquiry, any arbitration, and any delay, he was speaking without his book, unless he is prepared to say that he will support legislation which will deny to any man or any group of men in this country the right to come forward and support by evidence, if they can, the reasonable value of property taken from them. I do not think it would be in the interest of this country, which for many years to come must be a great borrowing country, if its resources are to be developed, that the Parliament of Canada should adopt any such method as that. It would be exceedingly unfortunate that it should go abroad to the United States of America, to Great Britain, or to any of the other great lending countries of the world, that the people of Canada are represented in Parliament by men who are disposed, on occasion, for one purpose or another, to deny to those whose property is taken against their will, the right and the opportunity to make good their claim as to its value before an impartial and properly constituted tribunal.

Mr. PUGSLEY: What did the Government mean by asking Parliament to enact by section 24 that the Government may by Order in Council bar and foreclose the equity of redemption without any condition?

Mr. R. B. BENNETT: It says: if authorized by Parliament.

Sir ROBERT BORDEN: In the first place, the Government did not ask Parliament to do anything of the kind, and in the second place the Government meant precisely what the statute sets forth. The section reads:

> If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe.

I will repeat my statement, for the information of my hon. friend, if he did not understand me before: No Government of whatever political party would, as I believe, ask Parliament to confiscate any man's property without giving him the right to put forward and support his claim as to its value. In the Expropriation Act of this country, it is provided that when any man's property is taken, he shall have the right to make good his claim in the court.

5 p.m. Suppose we expropriated property of my hon. friend from St. John (Mr. Pugsley), and suppose the Government had reached the firm conclusion that that property was really of no value; that it was not being used by the hon. member for St. John; would he consider that he was being fairly treated or justly dealt with if the Government of this country, in pursuance of a power obtained from Parliament, should take his property away from him and at the same time deny him the right to make good his claim as to its value?

Mr. PUGSLEY: Yes, if we had so agreed.

Sir ROBERT BORDEN: In this case there has been no such agreement, because the section of the statute reads:

If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe.

My hon. friend realizes, I am sure, that if some such procedure as that to which I have alluded had not been in the minds of members of Parliament, they would not have alluded to terms and conditions as a condition precedent before this property should be foreclosed. Does my hon. friend place importance upon the words "if any"?

Mr. PUGSLEY: Yes.

Sir ROBERT BORDEN: My hon. friend places importance upon the words "if any," and he apparently construes them as if the section had read:

If authorized by the Parliament of Canada, the Governor in Council may, without any term or condition whatever, . . . declare the property to be foreclosed.

If my hon. friend is prepared to say that the language which appears in the statute is the equivalent of that which I have just described as his interpretation of it, then I cannot agree with him at all.

Mr. PUGSLEY: What effect does the Prime Minister give to the words "if any"?

Sir ROBERT BORDEN: Precisely the meaning which they have, namely, that if it were perfectly apparent and admitted by the owners of the property that the equity of redemption had no value whatever, then Parliament need not establish any tribunal. That is the meaning of the words "if any". If that were perfectly apparent, and admitted by the owners of the property, it would be an idle thing for Parliament to fix any terms and conditions. Does the hon. gentleman deduce from that the argument that, when the owners of the properties claim vehemently and persistently that their equity of redemption has a value, we should by reason of the words "if any" deprive them of the right to appeal to any properly constituted tribunal in this country? If my hon. friend is prepared to take that view, then all I have to say——

Mr. GRAHAM: Will the Prime Minister allow me to suggest——

Sir ROBERT BORDEN: Will my hon. friend allow me to finish my sentence? Then, all I have to say is that, if my hon. friend from St. John has reached that conclusion, he has reached a very advanced stage in his political development. There may be circumstances in which Parliament need not prescribe any terms or conditions, because the matter would be so obvious. But I ask any reasonable man in this House or in this country whether we are to deduce from the words "if any" the conclusion that persons, who claim, with some show of reason, that their equity of redemption has a certain value, shall be debarred from putting that claim forward and supporting it by any evidence that may be available for that purpose.

Mr. GERMAN: Can the Prime Minister suggest any reason, if there be an equity of redemption, why the senior Judge of the Exchequer Court should not settle what the equity of redemption is?

Sir ROBERT BORDEN: My hon. friend is coming to a different point altogether from that which I was discussing. The hon. gentleman from St. John (Mr. Pugsley) says: There should be no inquiry. My hon. friend from Welland (Mr. German) says: There should be an inquiry, but it should be before the Exchequer Court. As I will show in a moment, this is very much along the line of what we encountered in dealing with this matter in 1914.

Mr. PUGSLEY: You put in section 24 which apparently is of no value.

Sir ROBERT BORDEN: I did not say that it was of no value.

Mr. PUGSLEY: We are not acting upon it.

Sir ROBERT BORDEN: We are not acting directly upon it for reasons I have stated. If my reasons have not yet reached the inner consciousness of the hon. member for St. John (Mr. Pugsley), that is my misfortune, but certainly not my fault.

Mr. PUGSLEY: It is certainly not your fault.

Sir ROBERT BORDEN: No. Let us look for a moment at the constitution of the tribunal, because that is the point to which the hon. member for Welland (Mr. German) has directed my attention.

What was the position taken by hon. gentlemen opposite who put forward views on this question in 1914? All the leading men among them who spoke, said that the Canadian Northern Railway Company and the Grand Trunk Pacific Railway Company could not be allowed to go into liquidation. I have their statements under my hand, but I will not trouble the House to quote them. If my statement is challenged I can give the date and the page of Hansard where such utterances appear. They said the road should not be allowed to go into liquidation and then they proceeded to show their sincere belief in that declaration by voting for a proposal to have the measure of the Government postponed for six months, which meant it would not be acted upon during that sesion and that liquidation would ensue. First they said: "We must give aid." Then they said "We must not give aid." That is the literal meaning of the two positions they took. Then they asked Parliament to declare that there was not sufficient or reasonable information on which to base aid, and they proceeded to declare, although they said they had no such reasonable or sufficient information, that the road was bankrupt. They then advocated the acquisition of the whole of the capital stock of the Canadian Northern railway, by arbitration, at a value not exceeding $30,000,000. I think it might be worth while for me to refer my hon. friend from Welland (Mr. German) to these passages, in order that he may reach a conclusion as to why in 1914 arbitration was proposed instead of a reference to the judge of the Exchequer Court, because it is as fair for me to put that question to him as it is for him to put the question which he has just now proposed to me. Let us look at the record. On May 28, 1914, as reported at page 4391 of Hansard, my hon. friend from St. John (Mr. Pugsley) put forward this proposal:

> (e) To provide that the Governor in Council shall have the option at any time within such period of five years to acquire the absolute ownership of the said stock and of the said Canadian Northern Railway system, and of all the constituent and subsidiary companies mentioned in the said resolution or proposed agreement, subject to existing encumbrances and to said arrangements regarding the conversion of said income charge convertible debenture stock, for a price to be fixed by arbitration, but not to exceed the sum of $30,000,000, being the par value of such stock so to be reduced as above provided.

Mr. PUGSLEY: Does my hon. friend think it fair to read only one clause of a resolution which contains four clauses?

Sir ROBERT BORDEN: I am explaining the other clauses. In the previous clauses my hon. friend had proposed that the stock of the Canadian Northern Railway Company should be reduced to $30,000,000, and he proposed to secure that $30,000,000 of capital stock at a price to be fixed by arbitration, but not to exceed $30,000,000.

Mr. PUGSLEY: Will my right hon. friend allow me to correct him. That was not the resolution. The resolution was that the whole of the stock should be reduced to $30,000,000, that it should be transferred to trustees, to be held for His Majesty, to become the property of His Majesty, and if the company should pull through for a period of five years, if Parliament decided to take the stock, we should have the right to take it.

Sir ROBERT BORDEN: I will come to something more direct later on. My hon. friend did not propose that the stock should be owned by His Majesty but that it should be held by His Majesty, so that His Majesty should have control over the affairs of the road in the meantime. So far as the actual acquisition of the stock is concerned, I repeat what my hon. friend proposed on that occasion, and on another occasion as well, was to acquire the capital stock of the entire Canadian Northern Railway at a price to be fixed by arbitration, but not to exceed $30,000,000, and he succeeded in inducing his leader to adopt that view. On the second day of June, 1914, the right hon. the leader of the Opposition made this proposal, seconded by the hon. member for St. John (Mr. Pugsley), who supported it in a strong speech—perhaps I had better read the concluding portion of the remarks of my right hon. friend (Sir Wilfrid Laurier), because he stated that

in what I am about to quote he summarized the whole argument from the standpoint of his supporters in the House. At page 4634 of Hansard my right hon. friend said:

I said a moment ago that my intention was simply to summarize the views and the policy which we have laid before the people on this question, and summarize them in a few words. We must carry on this enterprise; we cannot allow it to go by default; we cannot allow anybody or anything to come in which would imply anything detrimental to our credit in England; this enterprise has to be carried out; but instead of carrying it out in the way proposed, we propose that we should carry it out by other means—that we should take absolute control of the enterprise; and for that purpose I beg to move, seconded by my hon. friend from St. John (Mr. Pugsley):

'That the said Bill be not now read a third time, but that it be resolved that under existing circumstances no assistance should be given to the Canadian Northern Railway Company unless at the same time it is provided that the Government have power, within a reasonable time, to acquire the ownership of the entire stock of the company at a price to be fixed by arbitration, but not to exceed thirty million dollars.'

My hon. friend the member for Welland (Mr. German) voted for that resolution. I see his name recorded in the division. My hon. friend from South Renfrew (Mr. Graham) was not here, I believe, but he was paired as voting in favour of that resolution. My hon. friend, the member for St. John (Mr. Pugsley), in speaking on the subject—

Mr. GRAHAM: Did not the Prime Minister vote against it?

Sir ROBERT BORDEN: Yes. We did not propose to vote for it with the suggestion contained in the resolution that the stock was worth $30,000,000. My hon. friend the member for South Renfrew in the course of his speech to-day criticised us because in proposing a reference to arbitration he declared we were attributing a certain value to the equity of redemption in this property or in this stock. What does he think of the effect of the motion which he supported in 1914—a motion moved by his leader, which attributed a possible value of $30,000,000 to the stock of the Canadian Northern Railway Company.

My hon. friend (Mr. Graham) has usually a pretty fair memory but I am afraid that his attitude on this question in 1914 must have escaped his recollection when he made the remark which I have just quoted.

But my hon. friend from St. John (Mr. Pugsley) emphasized the exceedingly fair nature of the proposal made by his leader. He said it was fair to the proprietors of the Canadian Northern; it was fair to the people of this country; it was fair to the Government; it was fair to Parliament; it was fair to everybody. Here is his language as found on page 4641:

My right hon. friend (Sir Wilfrid Laurier) moves as an amendment that as a condition of granting this aid the Government shall be allowed to take control of this stock and control of the enterprise until it is completed, and that the country shall have leave to take over the entire stock of the Canadian Northern railway within a reasonable time at a price to be fixed by arbitration but not to exceed the sum of $30,000,000. Is not that a reasonable proposition? Is not that a proposition which is fair to the people of this country who are called upon to assume this enormous liability? Is it not fair to Mackenzie, Mann, and Company who are asking this country, for the fourth time, to help to complete this enterprise? It is fair to Mackenzie, Mann and Company, and it is a fair and reasonable proposition on behalf of the people of this country.

Yet my hon. friend to-day is horrified at the idea of giving any hearing to the proprietors of the Canadian Northern stock or any hearing to the company in which is vested the equity of redemption subject to the mortgages which have been placed upon the property for the purpose of constructing the railway. I do not think that my hon. friends, in view of the attitude which they took in 1914, can expect that the country will give a great deal of weight to their affected horror at the very reasonable proposals of the Government.

I would like to say further in conclusion, that I expected hon. genlemen on the other side of the House to adopt a somewhat different attitude from that which they have assumed, because, after all, it is perfectly plain and clear, not only to this Parliament but to the people of this country, that it is they who are responsible for the existing conditions.

My right hon. friend the leader of the Opposition brought down his proposals for the construction of the National Transcontinental Railway in 1903 and he modified them in 1904. He introduced those proposals by a preamble which read:

"Whereas, having regard to the growth of population and the rapid development of the production and trade of Manitoba and the North-west Territories, and to the great area of fertile and productive land in all the provinces and territories as yet without railway facilities, and to the rapidly expanding trade and commerce of the Dominion, it is in the interest of Canada that a line of railway, designed to secure the most direct and economical interchange of traffic between Eastern Canada and the provinces and territories west of the great lakes, to open up and develop the northern

zone of the Dominion, to promote the internal and foreign trade of Canada, and to develop commerce through Canadian ports, should be constructed and operated as a common railway highway across the Dominion, from ocean to ocean, and wholly within Canadian territory."

That was the preamble to the schedule of the agreement ratified by the Transcontinental Railway Act, 1903. The preamble of the Act itself is:

"Whereas by reason of the growth in population and the rapid development in the productiveness and trade of Canada, and especially of the western part thereof, and with a view to the opening up of new territory available for settlement, both in the eastern provinces and in the West, and the affording of transportation facilities for such territory, and for other reasons the necessity has arisen for the construction of a National Transcontinental railway to be operated as a common railway highway across the Dominion of Canada from ocean to ocean and wholly within Canadian territory."

I will come back in a moment or two to the consideration of the conditions, as to information and otherwise, which were before my right hon. friend when he embarked on this scheme. What I want to call attention to at the moment is that in the Act of 1911, under the administration of my hon. friend (Mr. Graham), then Minister of Railways, almost identical language—practically identical language—was used in regard to the Canadian Northern as a great transcontinental system. Here is the preamble to the Canadian Northern Railway statute of 1911, which provided for subsidies and assistance to that road:

"Whereas having regard to the growth of population and the rapid development of the production and trade of that portion of Canada lying west of the Great Lakes, and to the rapidly expanding trade and commerce of Canada generally, it is in the interests of Canada as a whole, that another line of railway designed to assist in the direct and economic interchange of traffic between the eastern and western portions of Canada, to open up and develop portions as yet without railway facilities, to promote the internal and foreign trade of Canada, to develop commerce through Canadian ports, and to afford the Government system of railways in Quebec, New Brunswick, Nova Scotia and Prince Edward Island an interchange of through traffic, should be constructed from the Pacific ocean to the city of Montreal."

Let hon. gentlemen consider the position in which the present Administration found itself when we came into power in October, 1911. We found two transcontinental railway systems under construction, both of them declared by Parliament, under the administration of my right hon. friend (Sir Wilfrid Laurier) to be great national trans-continental railway systems and both supplied with subsidies and guarantees to the end that their construction might be assured. What did we do when we came into power and when it had become evident that the arrangements made by hon. gentlemen opposite when they held the seals of office were not adequate for the purpose of carrying through these two projects which they had initiated?

What position confronted us? Two possible courses were open to us: either to let those national highways of Canada go to the wall, go into liquidation, to the discredit of Canada, to the great detriment of the public interest, as we thought, or, to implement the legislation that had been passed under the administration of my right hon. friend by such further aid and such further provisions as, having regard to the interest of the people of this country, might be necessary to ensure the completion of these roads. And so we have come to Parliament from time to time as it seemed necessary and asked Parliament to deal with the situation.

So far as the Canadian Northern Railway is concerned, we are now coming to Parliament for the last time, because we have reached the conclusion that it is imperatively necessary, in the interests of the people of this country, that that road should not be allowed to go to the wall, but that, if further aid is to be granted by the people of Canada, such aid should be for the benefit and advantage of Canada as a whole and not for the benefit and advantage of the proprietors of the road.

I should like to point out to my right hon. friend (Sir Wilfrid Laurier) that he has a considerable responsibility for the situation that has thus developed, because I think that his best friends will admit, and he himself should be disposed to admit, that he embarked upon the project of the National Transcontinental railway without adequate information as to its cost or its possibilities. If he is not prepared to make that admission to-day, I do not know how he can square himself with the facts as they have since developed. There was a very simple course open to my right hon. friend in 1903 and 1904. What was the position at that time? There was an old and strongly established road in the east of Canada, the Grand Trunk Railway Company, which has afforded great service to the people and deserves consideration for the service so rendered; and what was its position? It was

gathering up traffic in Eastern Canada to be carried to the West, and it had no western connections. As Mr. Hays pointed out, in one of his addresses to his shareholders, the road was in an extraordinary situation. It had the best means of gathering up traffic in Eastern Canada that any railway possessed, and it was gathering up that traffic for the benefit and advantage of another system. What was the position in the West. Besides the Canadian Pacific railway, there was another railway possessing a position of great advantage in the western provinces, the Canadian Northern Railway Company, getting access to the best territory there, reaching out to rapidly developing communities, and possessing in Western Canada the exact complement of the Grand Trunk in Eastern Canada. Here was the Grand Trunk Railway in Eastern Canada with no western connections; here was the Canadian Northern Railway in Western Canada with no eastern connections, each gathering up traffic in its territory and handing it over to a rival system. What should have been the obvious course to be pursued by my right hon. friend under those circumstances? It seems to me that he should have insisted that the Grand Trunk Railway Company in Eastern Canada, and the Canadian Northern Railway Company in Western Canada, each possessing facilities that were the complement of the other, should join forces, and that he should have created out of those two companies one railway system. I venture to say that if he had done that, instead of these companies coming, both of them, year after year, and asking the Government of Canada for aid to prevent their going into liquidation or into the hands of a receiver, we would have had a railway undertaking in Canada that would have been strong beyond question and would have been able, if necessary, to lend money to the people of Canada in this time of emergency instead of asking for aid. So that my right hon. friend has great responsibility; he has, indeed, the chief responsibility, for the existing railway situation in this country.

I do not for one moment repudiate the responsibility which the present Administration has in this matter. We had before us just two alternatives: One was to let these roads go to the wall, to injure the credit of this country beyond measure, to bring about grave detriment to the public interest, to discourage the public sentiment of Canada, to make it appear to the world that all this development in this country rested on no sure foundation, and to put Canada back a quarter of a century. That was one alternative.

The other alternative was to go forward, and, having regard to the lack of information evidenced by my right hon. friend when he undertook these proposals, having regard to his lack of foresight, to sustain these undertakings as best we could, in the hope and, more than that, in the belief, that they would eventually become self-sustaining. That is our responsibility in the matter. That is a responsibility which I unhesitatingly accept.

I believe that the proposals which we now submit to Parliament are thoroughly in the interest of the people of this country, and that, in the years to come, when that assured development which awaits Canada shall have had its fulfilment, the Canadian Northern Railway system, acquired by the people of Canada under these proposals, will be one of the greatest assets in the ownership of our people.

Hon. WILLIAM PUGSLEY (St. John): Mr. Speaker, I think that if we required any evidence of the fact that the Prime Minister recognizes the weakness of the proposal which is now before this House, it would be found in the endeavour he has made to create, in some way, a prejudice against the Liberal party, by reason of its action in connection with the construction of the Canadian Northern Railway and the Grand Trunk Pacific Railway. It is quite characteristic of my right hon. friend, when he cannot defend or justify what is presently before Parliament, to go back to ancient history and trust to throwing dust in the eyes of the people by, in some way, creating a prejudice against his political opponents. He talks about everything but the subject which is immediately under consideration, which is, whether it is in the interests of the country to pass the Bill which is now before Parliament. What does it matter as to the responsibility for what occurred fourteen years ago in connection with the building of the Grand Trunk Pacific Railway? What has that to do with the consideration which is to be given to this Bill? Nothing in the world. Yet my right hon. friend has sought, in connection with the discussion of this Bill, to throw responsibility upon my right hon. friend who leads the Opposition (Sir Wilfrid Laurier) for the arrangement which was made some years ago. If I were to follow the example of my right hon. friend, I might challenge the wisdom of this Gov-

ernment in granting aid for the building of the Canadian Northern Railway through the canyons of the Rocky Mountains, where a road was not needed, an enterprise which has proved and which will continue to prove a great burden. I might have said that it was by reason of the encouragement which was given by this Government to the construction of the line through the Rocky Mountains, that the Government of British Columbia, led by the late Sir Richard McBride, involved that province also in an enormous expenditure. I might call attention to that, but what would be the good of it? What has it to do with the consideration of the Bill, the second reading of which is asked, and of the amendment which has been moved by the hon. member for South Renfrew (Mr. Graham)? What I think we ought to do is to endeavour to consider the Bill upon its merits, consider it in the light of circumstances to-day, and consider whether or not it is desirable to pass the amendment moved by the hon. member for South Renfrew. That is the question to which I propose to direct my attention, and it is a question that will be of most interest to the people of this country at the present time.

My right hon. friend says: Oh, there would be great objection to acting upon the provisions of the statute of 1914. He refers to section 24 and says that if that were acted upon an injustice would in some way be done to the Canadian Northern Railway Company, to the present shareholders in that company, and to those to whom the stock is pledged. He says it would also result in the necessity of the Government becoming the owners of the physical system of the Canadian Northern Railway Company and operating the road under Government ownership and control.

Sir ROBERT BORDEN: I do not want to be understood as acquiescing in my hon. friend's statement. I did not argue that.

Mr. PUGSLEY: I understood my right hon. friend to say that if section 24 were acted upon, the Government would be obliged to become the owners of the system and to operate it under Government control by a department of the Government, and he pointed out the very great advantage it would be to preserve the entity of the Canadian Northern Railway Company. Well, Sir, what does the Commission appointed by this Government say with regard to that? As I understand it, they do not recommend that the Canadian Northern Railway corporation should be preserved especially, but that a company should operate the road, and that it should not be done directly by the Government as a Government; that is, that there should not be direct Government operation as in the case of the Intercolonial. Where would be the objection or the difficulty if the Government acted under section 24 and foreclosed the equity of redemption? Where would be the difficulty or the inconvenience in asking this Parliament to incorporate a company, or to give the Governor in Council power by Letters Patent to incorporate a company, to take over the actual title from the Crown and issue stock to be held by the Minister of Finance in trust for His Majesty, the road being carried on and operated by the company so organized. You will remember, Sir, that when the Canadian Pacific Railway Company was organized, it was incorporated by Letters Patent. The charter is contained in Letters Patent issued by the Governor in Council. This Government could have asked Parliament to give it authority on the very day the equity was foreclosed to have a company incorporated under Letters Patent which would take over the title and the operation of the road. It seems to me, therefore, that the argument that my right hon. friend has made, that there would be some great advantage from the standpoint of the public in preserving the entity of the Canadian Northern Railway, falls to the ground.

But if it would be undesirable to act to-day under section 24, was it not equally undesirable when the legislation was passed? If the Government did not intend to act upon the section, if they thought it would be inconvenient and injurious to the public interest to act upon it, why did they put it in the statute? When they asked the authority of this Parliament to enable them to pledge the credit of Canada to the enormous sum of $45,000,000, why did they tell this Parliament and the people of this country that under section 24 the interests of the people were thoroughly safeguarded, and that this Parliament, in case any default should be made, had the power immediately to take possession of the road free from all conditions if Parliament should so desire? And why did they tell the people of this country that the Canadian Northern had agreed to this as a condition of receiving this enormous aid? Why did they embody this section in the statute if they knew that it would be against the public interest to act upon it should occasion for action arise?

My right hon. friend says that if an individual—and he instanced my unworthy self—was the owner of property upon which the Government had a mortgage I might seriously object if my equity of redemption were to be taken away without some provision for having its value arbitrated upon. But, that would entirely depend upon what the agreement was. If I had been coming to the Crown year after year for aid, first getting my bonds or notes guaranteed by the Government, and afterwards saying to the Government, "I misled you, I cannot get on as I told you I could, I want you to lend me some more money; I have already induced the Government to give me a lot of money, but I agreed that in case I made default in the payment of interest or in any other respect set out in my agreement, the Government should have the power to foreclose my equity and take over the property and become its absolute owner"—if I had done that, what right should I have to complain? If that was the bond which I gave, if that was the agreement which I solemnly entered into, it would not lie in my mouth to raise my voice against the Government acting upon the agreement which I had made. All that my hon. friend from South Renfrew (Mr. Graham) asks by this amendment is that the agreement shall be carried out as made.

Mr. MEIGHEN: The section referred to says that Parliament shall previously fix the terms and conditions, if any. Under what circumstances would the hon. gentleman say that Parliament should fix terms and conditions, and under what circumstances should Parliament not fix any terms and conditions?

Mr. PUGSLEY: I would say that my hon. friend can explain those conditions, as his leader has utterly failed to explain what was meant.

Mr. MEIGHEN: I am asking my hon. friend to state his opinion.

Mr. PUGSLEY: I will state my opinion of the case where no conditions should be fixed—

Mr. MEIGHEN: State the other case.

Mr. PUGSLEY: I will state the case we have to-day. This company came to Parliament in 1914 and said—and the Minister of Finance pledged his word to this House as to the truthfulness of their statement and asked this Parliament to act upon it—that if they could get their bonds guaranteed to the extent of $45,000,000, they had ample resources beyond that to complete the road and put it in operation, and they would not be obliged to come back to Parliament for any further assistance. Upon that understanding, Parliament entered into this vast obligation on the part of the people of Canada. But the company came back again in 1916 and got $15,000,000 more of the money of the people of this country. I would say that conditions had arisen to-day under which Parliament has a right, without attaching any conditions whatever to it, to act upon the authority vested in it by section 24 of the statute of 1914.

Mr. MEIGHEN: Why will not the hon. gentleman describe the conditions under which we were to be justified in fixing terms and conditions?

Mr. PUGSLEY: I cannot tell why the Government put that in. I assume they put it in, in order to remove the objections which Parliament and the people of this country might otherwise have towards granting this enormous aid. I presume they had some reason for putting it in; I presume they intended to act upon it. But the Government did not leave it alone to the statute. When the Bill was introduced, my hon. friend the Solicitor General took a very active part in urging the legislation upon the favourable consideration of the House, and on page 3693 of Hansard, he said:

> We know we have the ordinary right which any mortgagee has, and the right which any guarantor of a mortgage has, the right by subrogation of getting into the shoes of the lender and in the event of default exercising the rights of a mortgagee and taking possession of the road as a receiver; we know we have that right, but we have the additional summary remedy of proceeding by mere Act of Parliament to take over the road as the property of the people of this country and eliminate once and for all, all other parties interested in that railway. And we have not only so arranged it that the interests of the Canadian Northern and all other persons whatsoever in the Canadian Northern system shall be eliminated, and that in the event of default all shall be the property of the Canadian people.

That, Sir, was what my hon. friend sought to induce this House and the people to believe was the splendid arrangement that was being made for the security of the people. He said: We all know that under the law His Majesty in case of default would be able to go into the courts of the country and foreclose the mortgage, but we are not going to ask the Crown to incur that delay; we are not going to ask the Crown to undertake that expense; we are not going to ask that ordinary foreclosure proceedings be taken; we provide by this Bill a

summary mode of foreclosure under which if the Canadian Northern Railway Company fails to fulfil its obligations, an Order in Council may be passed with the authority of Parliament declaring the equity of redemption foreclosed and vesting the absolute title in His Majesty on behalf of the people of Canada. That, Sir, is all we ask the Government to do to-day; we ask them to carry out the solemn agreement which they made and which is embodied in an Act of Parliament. The Canadian Northern having received the aid provided by that Act, are bound by its terms, and if it is acted upon they have no reason to complain.

We should do this without any condition, for another reason. It appears from the report of this commission that the stock is of no value; therefore we shall be doing the Canadian Northern Railway people no harm if we simply carry out the arrangement which was made in 1914.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. PUGSLEY: Mr. Speaker, before recess, I had been referring to the provision of section 24 in the Act of 1914, which provides that, in case of default the Governor in Council may, if authorized by Parliament, and upon such terms and conditions, if any, as Parliament may prescribe, declare the equity of redemption of the Canadian Northern Railway company and of all other persons to be absolutely foreclosed, notwithstanding any rule of law or equity to the contrary. I regard that as a very important provision. It created a new relation between the company and the Crown. Upon the one side the company said in effect: If you will give us the aid for which we are now asking, that is, if you will guarantee our bonds to the extent of $45,000,000, we shall be able to get along without any further assistance. As hon. members are aware, there was very strong opposition on the part of many hon. gentlemen to burdening the country further in connection with the Canadian Northern Railway company. That company had received large grants of public money in the past; it had been aided by guaranteed bonds, and, in addition, the various provinces had been contributing very extensively to the construction of the road. It was, therefore, universally recognized that no money from any private source had been put into the construction of the railway. This House knew as well then as it knows to-day, after the reports of the Government commission that the road had been constructed entirely out of public moneys. In order to remove as far as possible any objection to the bonds of the company to the extent of $45,000,000 being then guaranteed, the Government asked Parliament to provide certain safeguards, amongst which was this provision in section 24 to which I have referred. The company, when it consented to accept that aid was a party to the contract contained in the statute. The company received its aid upon that condition, and it is bound just as much as if a separate agreement had been entered into under which it had stipulated that in case it should make default in the future the Government and Parliament would not be bound to recognize that there was any value whatever in its equity of redemption, but could at once take steps by Order in Council to foreclose. We are here under circumstances very different from those that existed prior to 1914. We are here in the face of a certain condition created by that statute. We are here as trustees of the people, as guardians of the rights of the people, and we should be acting contrary to our duty if we in any way attempted to alter those rights, or if we refused to recognize the rights and obligations upon the part of the Canadian Northern, and Mackenzie and Mann Limited and the other holders of the stock in the Canadian Northern and the subsidiary companies. I am, therefore, unable to see any excuse whatever for the Government not taking advantage of the powers which Parliament granted to them under the Act of 1914.

At first it was stated by one or two hon. gentlemen opposite, that the course the Government intends pursuing is the same thing as acting under section 24. In fact, however, it is an entirely different thing. If section 24 were acted upon, the Government, on the authority of Parliament, would have the right, without the payment of a single dollar more of the people's money, to become the owners of this entire railway system. But it is proposed by this arrangement to treat this company as a solvent concern, and to appoint arbitrators for the purpose of valuing the common stock of the company. I very much mistake the meaning of figures and of statements if I do not see in the statement, which has been submitted to the Government by the Canadian Northern Railway Company and laid before this House by the Government as containing reliable information, a delib-

erate laying, upon the part of Messrs. Mackenzie and Mann, of a foundation for an enormous valuation of the stock of this company.

The Minister of Finance has said that this company require a large amount of money to carry on their work. He has not offered to this House any request in writing from the Canadian Northern nor from Messrs. Mackenzie and Mann. He has not presented a single statement from them showing what they require or that they require any amount. He has stated that it will take some $20,000,000 to meet, in the immediate future, their interest indebtedness and to provide for necessary rolling stock, and that it will require great financial effort in order to wipe off those short-term obligations which have been incurred against securities, largely in the city of New York. But there is not the scratch of a pen from Messrs. Mackenzie and Mann, Limited, or the Canadian Northern Railway Company corroborating the statement of the Minister of Finance. It is, therefore, open to those gentlemen, when they come before the arbitrators to say: We are not bound by the opinion expressed by the Minister of Finance; we presented to the Government a statement showing our financial position; we showed that we had a surplus of $37,000,000 after making provision for our common stock at its face value; the Minister of Finance presented that statement to the House of Commons as a statement that could be relied upon; surely, therefore, we are and can be bound only by the statement which we have presented to the Government and which the Government has presented to Parliament. They will be able to say to the arbitrators: So far from our requiring any large amount of money, all that we owe in the way of outstanding accounts with construction is $999.566.95, and they can well show that before the arbitrators in black and white among the statements laid by the Minister of Finance before this House. Then if it is said: Oh, thirty million dollars is required immediately to purchase rolling stock and put the road in good condition, before the arbitration, they will say: In the statement we submitted all that is required up to the 30th June, 1918, for rolling stock and for betterments, as we showed in black and white, is the sum of $6,950,000 instead $20,000,000. Will it not be open to them to say: This stock has been represented by absolutely valuable assets at $100,000,000 and our statement shows a surplus of $37,000,000 above that, and who will dare to say we are bankrupt? Who will dare to say we cannot go on? The opinion of the Minister of Finance will not be evidence. It will be upon the statements of the accountants such as we have before us, that these arbitrators must act, because they will be sworn to discharge their duty in accordance with the evidence which will be presented before them. This statement was prepared evidently with the intention of showing that the company is solvent and perfectly able to go ahead. If you take it as true, it shows they are not insolvent, and shows they do not require any financial aid from the Government. It lays the foundation for them to submit to the arbitrators that they have a most valuable property. With a surplus of $11,000,000 of revenue over and above operating expenses, and with the prospective earnings—which always will be taken into consideration by arbitrators unless they are expressly excluded from their consideration—Mackenzie and Mann, by these statements which they have submitted to this Parliament through the Minister of Finance will be in a position to urge before the arbitrators that they should receive full par value for the stock issued by the company. Will not that be a condition of affairs to which the people of the country will look forward with a great deal of anxiety? As I have said, this road was built with the money of the people of this country. The commission has declared that the common stock has no present value, nor is it of any potential value. Since the year 1914, when this bargain was made, as set out in section 24 of this statute, the Government has been compelled to give Mackenzie and Mann an additional sum of $15,000,000. Last year when that amount was given, the Minister of Finance stated it was given for the purpose of preventing the company from making default. And we are faced to-day with the extraordinary condition that this Government is actually endeavouring to prevent the conditions under which the provisions of section 24 can be invoked. They have, by giving money to Mackenzie and Mann, prevented the default taking place, which would enable the Government, with the authority of Parliament, to take over this entire system without putting any more money into the enterprise. Whether that Act on the part of the Government can be defended or not, I leave it to the House to say. I do not think it can be defended, and I do not think the people of this country will be disposed to tolerate such a con-

dition of affairs. It is proposed now that arbitrators should value this property, in the face of the fact that the Minister of Finance tells us that the Company is bound to become bankrupt if it is not assisted; in the face of the fact that the Prime Minister stated this afternoon in effect that it is perfectly evident that unless further aid is given the company cannot carry on, and a receiver must be appointed. If that condition of affairs exists to-day, all the Government has to do, and all it has to ask Parliament to do, is to invoke the powers contained in section 24, and take over the road, foreclose the equity of redemption absolutely, without the payment of a dollar.

My right hon. friend says that would be contrary to one's sense of justice. If that be so, I would like to know why it was put in the statute. Was it put in to deceive the members of this House? Did the Government not know what it meant when it was put in? Did they not intend it to be acted upon? They said if default should be made Parliament would have the right, without any terms or conditions whatsoever and without providing for a single dollar to be paid, to foreclose the equity of redemption without resorting to a court of law. Will any member of the Government explain why that was put there if it was not intended to be acted upon? Why it was put there if it meant nothing? Surely, Mr. Speaker, it is impossible for any one to suggest that it was not intended by the Government, and was not taken seriously by this House. I have already called attention to the great weight that was placed upon that provision by my hon. friend the Solicitor General, who made a very able and forcible speech in presenting the matter to the House. I well remember how strongly, and with what force and eloquence, he dwelt upon the provisions of section 24. They were new legislation, he said;—ordinarily, the holder of a mortgage would be compelled to resort to a court of law, and go through the proceedings of foreclosure, but he spoke with pride and very great gratification of the fact that the Government had been able to evolve a scheme original with itself and containing powers which would be most beneficial to the country in case any default were made. That statement impressed many members of the House. My hon. friend from St. Antoine (Sir Herbert Ames), a very thoughtful gentleman, took the view, as many gentlemen upon the other side of the House did, that almost too great aid had already been granted to the Canadian Northern, and accepted the proposal of the Government with great reluctance. Let us see what that hon. gentleman said in regard to this proposal. His remarks will be found at page 3733 of Hansard:

> There is another feature of this matter which, I think, is well worthy of consideration. What is to happen in case of default? We have hitherto been dealing with the situation in case of success; the Government has very carefully looked ahead in regard to what might happen in case of failure.

And, Sir, when the time comes that the Prime Minister says that, notwithstanding the $15,000,000 we granted last year, failure looms right ahead, the Government draws back, and refuses to act upon this wonderful section, the preparation of which must have taxed its ingenuity to the utmost, and which appealed to the favourable consideration of members on the other side of the House at all events. The Government draws back and says: We will not allow default to take place.

We have given over $15,000,000 to prevent default, and before the time shall come when the company must make default, we will pass this Act, we will buy out the common stock from the company as a going concern, treat it as perfectly solvent and pay to these gentlemen whatever the arbitrators may choose to determine, whose judgment will be final, over whose judgment this Parliament can exercise no supervision, no control, and from which it will have no appeal. The Government will be bound to pay out of the public funds whatever amount these gentlemen may find this stock to be worth, without any appeal to this Parliament or to any court, even to the Supreme Court of Canada. That is acting upon the provisions of this wonderful section with a vengeance. Let me proceed with the remarks of my hon. friend from Montreal, St. Antoine. He said:

> The Government has very carefully looked ahead in regard to what might happen in case of failure. Ordinarily it is a very slow process to foreclose a railroad and for the bondholders gradually to take possession of the physical assets thereof. The Government in this case, however, has supplied a method of quick procedure whereby the axe drops instantly and whereby there can be no coming back for further assistance. It is definitely stipulated in this undertaking what shall constitute any event of default; it is so clearly defined that there can be no possible misunderstanding. Should the Canadian Northern railway fail to pay interest on the securities which are to be issued in connection with the guarantee which we are now authorizing, or should they fail to carry out any of the conditions contained in the trust deed as accompanying that guarantee, they would commit an event of default.

Just as my hon. friend from South Renfrew (Mr. Graham) stated this afternoon. Then my hon. friend from Montreal, St. Antoine, proceeds:

> Should the Canadian Northern on any of the previously guaranteed securities or hereafter guaranteed securities fail to pay the interest, they would commit an event of default. If any part of the system goes into the hands of a receiver; if any branch of the whole tree shows signs of decay, that is an event of default and in any of these events the Government can drop the axe without delay. I have heard this agreement described somewhat as a case where the culprit has confessed judgment and has been let out on suspended sentence. Some elements of the agreement certainly can be compared with such a case. The trial is over.

Mark the words, Mr. Speaker. All this in the face of the facts that the arbitrators are to value this equity of redemption, that lawyers, witnesses and expert accountants are to be heard, and that Mackenzie and Mann are to be allowed to prove that because of the prospective earnings this common stock has an enormous value even although the company to-day, as the Prime Minister says, is actually upon the eve of bankruptcy. The hon. member for St Antoine says:

> The trial is over. The applicants for aid admit that without our help they cannot complete the road. We have undertaken to give them a last chance—

We have undertaken to give them a last chance.

> —and it will never be necessary for them again to come here, nor will it be necessary for this Parliament to listen to another discussion such as is taking place this session. They have been tried; I may almost say they have been found guilty and let out on suspended sentence. If there is an event of default; if they fail to perform the obligations that by this new trust deed are placed upon them, the axe drops and that is all there is to it.

How my hon. friend the Solicitor General (Mr. Meighen) must have laughed in his sleeve at the innocence of the hon. member for St. Antoine when he took his word in 1914 as to the effect and intention of this section and when he said that it would be acted upon when the time arrived!

Mr. MEIGHEN: Would the hon. gentleman read the words that he took from my speech in 1914?

Mr. PUGSLEY: I cannot conceive that the hon. member for St. Antoine misinterpreted the speech of the Solicitor General. At all events, I read the speech of the Solitor General. It will appear in Hansard tomorrow and I think it entirely justified the hon. member for St. Antoine in believing that in case of default the axe would fall—that the trial was over—that the last chance had been given, and that if default was made automatically Parliament would be asked to agree that the equity of redemption in the Canadian Northern Railway Company and all other persons interested should be foreclosed summarily by Order in Council. Just let me read this last sentence over again:

> If there is an event of default; if they fail to perform the obligations that by this new trust deed are placed upon them, the axe drops and that is all there is to it.

That is the interpretation that the hon. member for St. Antoine places upon it, that is the interpretation that any reasonable man would place upon it, or else why put it in the statute book in such clear, unmistakable language? The hon. member for St. Antoine proceeds to say:

> There is a summary method, therefore, by which the Government steps in and takes possession of the whole enterprise. The Government can replace the directors by Order in Council; the new board of directors will have all the rights that would be given by a board of directors elected by the shareholders, and they can deal with the physical property as they see fit. Then, the Government can declare the mortgage foreclosed and can enter into the benefit of the equities, subject, of course, to the consent of Parliament. If the Government, in such an event, enters into control, it may become the owner of the system by assuming the responsibilities and powers as provided by this proposed legislation. The Government could then arrange the whole financial system involved so as to protect all concerned. The Government can operate; the Government can lease, or the Government can create a new railway company to manage the road and enter into ownership, if so desired.

Using, in regard to the organization of a new railway company, almost the very language which I used in the early portion of my remarks. The Solicitor General, from whom I might quote, did not use the very language which was used by the hon. member for St. Antoine. Perhaps not the very language, but members of the Government sat in their places and heard that hon. gentleman give that as the interpretation of the statute and what could be done under it. No one ventured to say that he had not interpreted the meaning of the statute correctly; no one suggested any idea of that kind. When the Government got that legislation through and induced this House to impose that enormous obligation upon the people of the country they knew that the members of this House and the people believed that, in case this company could not carry on its business with the guarantee

which was then given, it would have no right to make any claim for this equity of redemption in the road and that Parliament should have the right to become the owners of the entire system and then carry it on either as a Government work or through a company which the Government could be given power by Parliament to create, and with respect to which they might appoint the necessary officers and managers.

In some remarks which the Minister of Finance made when the resolution was before the House, he objected to expropriation because he said that if the system were expropriated the Government might have to pay, under the circumstances which would then arise, cash for all the outstanding obligations, and he rather intimated that, even although they might be acquired at their present market value, which, in a great many cases, amounting to many, many millions of dollars, is not over fifty per cent of their par value, it would be an advantage to allow the securities to run on for their full term because they had been placed at a comparatively low rate of interest.

Well, Sir, under the provisions of section 24, as the Government well knows to-day and as they knew when they presented the section for the approval of this House, that same result would follow. The Government would not be obliged to pay off these securities until their due date; they would simply foreclose the equity of redemption and all outstanding securities would remain just as they were, subject to the payment of the interest upon them and subject to the payment of the principal when the date of maturity arrived. Therefore, there is every advantage, from the public standpoint in carrying out the provisions of section 24, while no disadvantage can be suggested. And as I have said, these are the rights which the people of Canada have to-day. They have the right, through this Parliament, to foreclose the equity of redemption of the Canadian Northern Railway Company and everybody else upon these securities in case of default occurring. This Government is committing a crime against the people of this country if they further assist this company financially in order to prevent default. It is the duty of the Government to the people of Canada to let the company carry on as best it can. If it can meet its interest, if it can avoid default through its own efforts and those of the financial men interested in the enterprise, well and good; this Government and Parliament have nothing further to say about it. But if they cannot carry on, if they must make default, then let them make default; and I would say that this Parliament should be ready with its legislation, and this Government should be ready through the authority of this Parliament, to exercise immediately the powers given to them by section 24 to foreclose the equity of redemption, take possession of the property, organize, if they should think it better to do so, a new company, appoint the board of directors, and carry on all the operations of the Canadian Northern system. They would be able to carry them on without any delay, without disorganizing the system and without running the risk, as they are doing to-day, of involving the people of this country in an enormous liability, the amount of which no man can foresee, but the amount of which depends on the arbitrary will of three gentlemen who may be appointed to arbitrate the value of the common stock as between the Government and the gentlemen interested in the securities.

I should like to answer the statement of the Prime Minister (Sir Robert Borden) this afternoon that it did not lie in our mouths to object to this system of taking over the stock on a valuation by arbitrators. My right hon. friend quoted from a resolution which I moved in 1914. But surely, Sir, it scarcely lies in the mouth of the Prime Minister to claim that arbitration is the right thing to do in regard to taking over this stock when he himself voted against arbitration in 1914, even with the limitations which my resolution placed upon that mode of procedure. My right hon. friend voted against it and called upon all his supporters to stand with him in voting against arbitration, and they did all manfully and loyally standing up as one man and denounce this method of taking over stock on valuation by arbitration. Let us see what I proposed and what hon. members voted against. I moved

That all the words after "that" be struck out and the following words be inserted in lieu thereof: "That said resolution be not now concurred in but that it be referred back to the Committee of the Whole House with instructions to amend the same in the following particulars:

(a) To provide for the reduction of the issued capital stock of the Canadian Northern Railway Company to $30,000,000 par value, subject to the right to make provision for an addition thereto of an amount not exceeding $25,000,000 if it should at any time become necessary for the purpose of exchange of the

income charge convertible debenture stock mentioned in paragraph 12 of the said resolution.

(b) To provide for the transfer of such stock (with the exception of sufficient shares to qualify the directors) to the Receiver General to be held by him in trust for His Majesty.

(c) For the holding of the said stock by His Majesty for the period of five years.

(d) To provide that in case no default is made by the company in the payment of interest on the bonds of the company to be guaranteed by His Majesty as provided by said resolution, and in case the conditions of the said resolution and the agreement therein provided for shall be in all other respects carried out during such period of five years, the said stock shall be transferred to Mackenzie, Mann and Company, Limited, or their nominees, unless His Majesty through the Governor in Council should exercise the option hereinafter mentioned.

(e) To provide that the Governor in Council shall have the option at any time within such period of five years to acquire the absolute ownership of the said stock and of the said Canadian Northern Railway system, and of all the constituent and subsidiary companies mentioned in the said resolution or proposed agreement, subject to existing encumbrances and to said arrangements regarding the conversion of said income charge convertible debenture stock, for a price to be fixed by arbitration, but not to exceed the sum of $30,000,000, being the par value of such stock so to be reduced as above provided.

Now, what did that provide for? It made no provision whatever, and did not contemplate; that the stock should be taken if there was any default. It provided that if the company should be able to carry on for five years successfully, if it made no default, paid its interest, these, at any time before the expiration of these five years, the Government would have the right to take over the stock by arbitration. That would be in the case of a concern that was able to meet all its obligations, not of a concern that was bankrupt, not of a concern that had to come back in 1916 and get $15,000,000 more; not of a concern of which the Prime Minister says to-day that it is unable to go on, that unless it gets aid it must stop, must make default and go into the hands of a receiver. The proposition which I made contemplated an entirely different condition. It provided only that the Government might act and take over the stock by arbitration in case the company should prove successful and should be able to demonstrate its ability to be successful by being able to look after its interest for the full period of five years. In the meantime, as a condition of granting this aid, the stock was to be reduced to $30,000,000, and was to be handed over and held in trust under the control of His Majesty until such time as the company demonstrated its ability to carry on and perform its obligations. That resolution was voted down by a party vote. Then, later on, I think when the Bill came up for third reading, my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier) moved the resolution to which also the Prime Minister has referred. But it must be borne in mind that in interpreting that resolution reference must be had to the previous resolution which had been moved by myself and had been voted down by a majority of this House. Under the rules of the House the same resolution could not be moved a second time, and that is why the language of the second resolution, in amendment to the third reading of the Bill, was changed; it was necessary to do it in order to comply with the rules of the House. But it must be interpreted in the spirit of the resolution which had been moved previously and voted down, and when the word "reasonable" was used by the right hon. leader of the Opposition, it must be regarded as having reference to what is set forth, namely five years, in the resolution which was previously before the House.

There is one other matter I wish to refer to briefly, and that is the question of the lands. I said the other day—and my argument has not been answered—that whatever may be said with reference to the railway system, it seems to me utterly unpardonable for the Government to ask this country to assume the vast obligation involved in these land debentures. We have a statement before the House that the lands remaining unsold consist of 2,000,000 acres in the province of Ontario, about 400,000 acres in the province of Quebec, and something like 1,000,000 acres in the three western provinces. There are also some sales agreements. The Government is asking Parliament to stand behind these land debentures, just as they are asking Parliament to stand behind and give a par value to all these underlying securities which to-day are not selling upon the markets of the world at over fifty, sixty, or seventy per cent of their face value, and the Government is asking Parliament to do that without giving us any information by experts as to the value of these lands. Taking, first, the 2,000,000 acres in Ontario, I would ask my hon. friend if these are covered by the land debentures? I do not think they are.

Sir THOMAS WHITE: Offhand, I think not, but they are an asset to the company.

Mr. PUGSLEY: I do not think they are covered, because if they were covered they would not be put up as security for short-

term obligations, and we find on page 10 of the statement brought down by the Finance Minister that these 2,000,000 acres of lands unsold in Ontario, as well as the land grant in the province of Quebec, are both pledged as collateral for obligations of the Canadian Northern Railway system.

Sir THOMAS WHITE: I think my hon. friend is incorrect. If he will look at page 10 he will see that the first part says: "Securities pledged as collateral," then "Guaranteed securities," and then "Unguaranteed securities." It is possible these are pledged, but I do not think so.

Mr. PUGSLEY: If my hon. friend will look again he will see that page 10 is intended to give a statement of all securities pledged as collateral, and it gives, first, "Guaranteed securities," then "Unguaranteed securities," and then "Land grants." All of these are pledged as collateral.

Sir THOMAS WHITE: I will inquire into that.

Mr. PUGSLEY: Outside of that, my information is that the land grant in Ontario is not worth a dollar an acre; it would not sell for a dollar an acre. Wilderness land in Ontario, whenever sales have been made, has been sold at as low a price as one dollar an acre. One dollar an acre, in fact, is too high a value to put on that land, and the same remark applies to the land in the province of Quebec. That leaves only the 800,000 acres in the western provinces, and it is only the land in the West, if one can judge from this statement, that is security for these land debentures. That land is the leavings of the company; that is to say, it is what has been left by gentlemen who for a number of years were actively disposing of these lands. I do not know what the value is, but it is certainly the duty of the Government to know, by the opinion of experts, before it asks this country to assume the enormous obligation of $21,000,000 in respect of these lands. Surely it is their duty to find out through independent and disinterested experts what the quality of the land is, speaking generally, and what it is worth, in order that this Parliament and the people may have some reliable information as to its value. But without any evidence or knowledge of that kind, the Government simply takes the value placed upon these lands by the Canadian Northern Railway Company, and coolly—I venture to use that word, and it only half expresses the assurance of hon. gentlemen on the treasury benches—ask this Parliament to involve the people of this country in the enormous liability of $21,000,000 in respect of a property which has nothing whatever to do with the railway, the holding of which is not necessary in any way in connection with the railway, and which might be given up without doing any injustice to anybody, which, if given up, would leave to the holders of those debentures the security upon the lands, a security which they relied upon, I suppose, when they took the debentures, although whether they paid par for the debentures or a very much lower rate I do not know. I venture the opinion, however, that they paid far and away below par, because I cannot conceive it possible that debentures to the extent of $21,000,000 could have been issued upon these land grants and sold to investors at anything like par. The thing is utterly beyond reason, because not many years ago when the construction of the Canadian Northern had got under way, as late as 1902, their best land in the garden of the great province of Saskatchewan could be bought at $2.50 an acre. Yet these gentlemen are putting in these unsold lands at a valuation of $15 an acre, and they have induced a confiding Government to accept their word and to propose that the people of Canada shall assume an obligation of $21,000,000 in respect thereof. Is this the time to involve the country in these enormous obligations? Go down to our own province of New Brunswick, ably represented, as things go, by my hon. friend the Minister of Marine and Fisheries, (Mr. Hazen) and you will see there going to decay, railroad after railroad connected with the Intercolonial, and which ought to give to the people accommodation such as they are entitled to have from railways which the public moneys have built. Business is hampered and the people are enormously inconvenienced because this Government says: We have not the money to take over these branch lines; we are not able to give any relief to the thousands of people in that province who have been clamouring for years for assistance from the Government. The Government forgets, the Minister of Marine and Fisheries knows full well, the solemn pledge which they made to the people of New Brunswick, through the present Prime Minister, before the elections of 1911, when they in effect pledged themselves to take over those branch lines and make them a part of the Intercolonial system, building them up to a proper standard to give reasonable accommodation to the

people. In the very constituency which the Minister of Marine and Fisheries represents, I know and he knows,—because he has had petitions in respect to it—that a very important railroad which serves many thousands of people and contributes a very large business, is upon the eve of being dismantled because this Government will not come to the rescue and take it over and make it a part of the Intercolonial system. These people, suffering all these inconveniences, obliged to face the breach of pledge upon the part of this Government, are told by the Minister of Railways and Canals that no matter how deplorable their position may be he can do nothing for them because there is no money in the treasury to take over and repair these roads. These people, compelled as they will be to suffer hardships by reason of going back to the condition of affairs of twenty, or thirty or forty years ago, when they had no railroad accommodation, are obliged to look on and see millions upon millions of their money as well as the money of the rest of Canada, paid over to Messrs. Mackenzie and Mann —millions and millions which these gentlemen have never earned, and to which they are in no way entitled.

They are obliged in this time of stress to put their hands into their pockets, pay taxes, make various contributions, do their bit towards carrying on the war. They see the Government plunging the country into an obligation to the extent of unknown millions to meet the views of Mackenzie and Mann and of the financial magnates of Toronto who are standing behind them and who are pressing the Government to put through this most iniquitous measure —a measure iniquitous at any time, but a thousandfold more iniquitous when brought forward in such a time of stress as that through which we are now passing. The people, as I have said, are compelled to bear very heavy burden in order to do their part in carrying on the war. They see this measure being pushed through at a time when the credit of this country is strained to the utmost. The Minister of Finance, the head of a department which not many years ago could go into the markets of the world and borrow money at two and a half or three per cent, is compelled to-day, by reason of the fact that the financial men of Canada are not able to assist him, to go to the financial centres of the country to the south and pay the enormous rate of interest of six per cent upon direct Government obligations. Is this the time to engage in such an undertaking as is now proposed? Is this the time to involve our country in obligations which may run into $10,000,000, perhaps $20,000,000, perhaps $50,000,000, perhaps $60,000,000 when the result of this arbitration is known?

Mr. J. E. ARMSTRONG (East Lambton): Mr. Speaker, the Prime Minister (Sir Robert Borden) and the Finance Minister (Sir Thomas White) this afternoon must have anticipated the remarks of the member for St. John (Mr. Pugsley) in the first part of his speech. They so completely answered his remarks that it would be folly for me to take up any more time by entering into a discussion of them.

My hon. friend, however, has called attention to a statement with regard to the value of the lands in Northern Ontario, especially those along the line of the Canadian Northern railway. It was my privilege to spend some fifteen days in a tour of inspection of the Canadian Northern railway some two years ago, in company with a number of members from both sides of the House. We passed through hundreds of miles of valuable pulp lands right alongside the Canadian Northern railway in the northern part of Ontario. I was informed by the officials of that road that the bulk of these limits were owned by the Canadian Northern Railway company. If the hon. gentleman would take the trouble of going over that splendid railway he would come to a very different conclusion in regard to this matter; he would not talk about $1 an acre when speaking of such valuable lands as these.

We have been listening to a discussion of the legal and financial sides of this question; let us discuss it for a few moments from the business standpoint. This is the largest undertaking excluding matters pertaining to the war, that this Parliament has had to deal with since Confederation, and it is necessary that hon. gentlemen on both sides of the House should give it their most careful attention. It is the greatest public ownership proposal ever presented to the people of Canada, and its success or failure will mean either life or death to public ownership in Canada, so far as the Dominion Government is concerned.

Some few days ago half a dozen hon. gentlemen opposite suggested five or six different methods of dealing with this question. They emphasized especially the fact that we should not allow politics to creep into the administration of this enterprise. I am satisfied, from the statements made by the Finance Minister, the Prime Minister, and the Minister of Railways (Hon. Frank

Cochrane) that no political interference will creep into the management. It certainly would be a most serious state of affairs if politics should in any way interfere. The member for Edmonton (Mr. Oliver) the other day asserted that politics would interfere in this case as they did in connection with the administration of the Intercolonial railway. I think that he did not deal fairly with the Minister of Railways. To my mind, no Minister of Railways has ever more carefully guarded his department in that respect. The hon. gentleman (Mr. Cochrane) has been most careful not to allow politics to interfere with the management of the government railways.

9 p.m.

Government ownership operation and control are to receive a serious test. Every man, woman and child in Canada is interested in this proposal. This will be the people's railroad; they will own and control it. All our people recognize the importance of transportation. One of the greatest elements in the price of food and manufactured products is transportation. Railway rates are in effect public taxes, and we should see to it that the management of this road, as well as the management of all the other transportation facilities of our country, is carried on in such manner as to secure to the people the greatest possible benefit at the lowest possible cost.

Hon. gentlemen opposite argue that we are not going to receive value for the money to be invested in this enterprise. I wonder if they have taken into consideration the actual cost of this road. If they will add to the actual cost of the enterprise the additional cost of the rolling stock, rails, and everything connected with it, they will find that this proposal is a most advantageous one for the people of Canada. Take, for example, the rolling stock. It is estimated that $56,000,000 has been paid for the rolling stock on the Canadian Northern railway system. They have taken off $11,000,000 for depreciation, leaving $45,000,000 as the present value of the rolling stock. I have made inquiries of men who are thoroughly acquainted with the handling of railway equipment and its value, and they inform me that the Canadian Northern Railway rolling stock is to-day worth well over $60,000,000.

Further, let us compare the investment in road and equipment in respect of the Canadian Northern railway system with that of other railroads in Canada. It is important that the people should know what this road has actually cost and how it compares in certain respects with other railroads in this country. At the close of the year ending June 30, 1916, the investment in road and equipment as carried on the books of the companies or of the Government was as follows:

Canadian Pacific railway, $68,233 per mile.

Canadian Northern railway, $54,961 per mile.

Grand Trunk, $127,340 per mile.

Grand Trunk Pacific, $98,018 per mile.

Transcontinental, $88,332 per mile.

Intercolonial, $76,733 per mile.

The actual average cost per mile of the Canadian Northern was nearly one-third less than the average cost per mile of these other railroads. The average cost of all the railroads was $75,524 per mile, while the actual cost of the Canadian Northern amounted to $54,961 per mile.

Another advantage in taking over this road is that the Intercolonial will through it be connected up with the West. Up to the present time the Intercolonial has been up against a very stiff proposition as to its connections at Montreal and Quebec, but under this proposal it will become part of a great transcontinental railway system.

Let us look at the enormous value of the different terminals owned, controlled and operated by the Canadian Northern Railway company at Montreal, Toronto, Winnipeg and Edmonton, and the 300 acres it owns in the heart of the city of Vancouver, and we shall be able to realize what tremendous terminal advantages this company possesses in those great cities.

This is a most opportune time to take over the road, as hon. members will see if they investigate the financial statements which have been submitted. I congratulate the Minister of Finance and the Minister of Railways upon placing in the hands of members of this House such complete statements bearing on the finances and the general management of the road. This railway has borrowed enormous sums of money at 3½ and 4 per cent, whereas if we had to go into the market for money to-day we would be compelled to pay over 6 per cent. In addition to that, the securities run for ten, twenty, thirty and forty years, and at the end of those periods I am sure the people of Canada will be in a position to meet the obligations of the road, which will then, I believe, be one of the greatest assets of our Dominion.

There is no question that this railroad has developed Canada as no other great enterprise has done within the last fifteen years. No enterprise has developed the natural resources and the great mining interests and industries of our country to anything like the extent that the Canadian Northern railway has. It was my privilege to spend fifteen days on that railway on a tour of inspection, and it was of great advantage to me to have the opportunity to investigate the enormous resources along its right of way. If one takes into consideration, not only the thousands and thousands of homesteads, but the many manufactories located along its main line and branches in the Northwest, one can readily understand the enormous benefits this road confers on the people of Canada. On the train I travelled a 35 per cent engine drew twelve or fourteen pullman cars from Montreal all the way to Vancouver. I will give to the members of this House a statement in regard to the grades on that road so that the people of Canada may know what a valuable asset they have in this great railway.

The Canadian Northern Railway Company's transcontinental line is superior in grades and alignment to any of its competitors, having been built to five-tenths of one per cent westbound grades and to four-tenths of one per cent eastbound grades, with the exception of 28 miles of seven-tenths of one per cent eastbound grade on the western slope of the Rocky mountains, and with the further exceptions of about 327 miles of short momentum or pusher grades which can be reduced later on when necessary. Of this 327 miles of grades in excess of five-tenths of one per cent westbound and four-tenths of one per cent eastbound, there are only six miles of one per cent grade and less than one mile of 1.15 per cent grade. All other temporary grades are less than one per cent. This places the Canadian Northern Railway Company in a very strong position. At the present time it is handling about one-third of the total grain moved in Western Canada, and with the opening up of Vancouver as a grain shipping port, it will have the advantage of being able to handle grain equally as well to the Pacific coast as to Port Arthur. In other words, it can handle from the prairies an equal tonnage with one engine for delivery at Vancouver or at Port Arthur. The Canadian Northern Railway Company has handled a 16-car passenger train through the mountains with one engine.

This merely goes to show the splendid grades and curves on that line of railway. There are also enormous possibilities in water-powers along its right of way in Ontario and in British Columbia. Cities, towns and villages, have sprung up along its line. For the last two years it has been able to handle, for several months in the year, over 45 per cent of the grain coming out of that western country, and it has 6,000 miles of branches serving the most productive districts in the western provinces.

The policy now proposed by the Government is progressive and businesslike. By it, the people will own, control and operate 9,648 miles of railway including branches in all the provinces except New Brunswick and Prince Edward Island. Not only is this railway connected up with the most important cities, but there are many other advantages in connection with it. I have here a small plan showing that if a short branch line were constructed between Fort William and Titania on the Transcontinental by way of Long lake, a distance of sixteen miles, it would shorten the distance on the Canadian Northern between Fort William and Montreal by over 100 miles. That would be of enormous advantage during the winter months in connection with the back haul of the grain by way of lake Superior Junction down to Montreal and the back haul of the coal for the operation of the road by way of Superior Junction along the Transcontinental east of Titania. The proposed link would make a composite line composed of the Transcontinental from Winnipeg to Titania, a proposed line to the Canadian Northern at Long lake and thence by the Canadian Northern to Montreal, a total distance of 1,347.7 miles as against the present routes; Canadian Pacific railway, 1,411.6 miles; Canadian Northern railway, 1,455.7 miles; the Grand Trunk Pacific railway and National Transcontinental railway, 1,425 miles Then it would keep the traffic east and west, instead of north and south.

Let us look at the mileage of some of the government railways in this country, when you connect up the Canadian Northern with this proposition. The Intercolonial, 1,514 miles; the Prince Edward Island Railway, 275 miles; the Transcontinental, now operating, 1,810 miles, making a total mileage of 13,247 miles, when you include the Canadian Northern. The mileage of the Canadian Pacific is only 12,900; that of the Grand Trunk Pacific, 1,964; that of the Grand Trunk, 3,556, and the other roads, such as the Pere Marquette, the Great Northern, the Michigan Central, and so on, make the balance, until we have in Canada

about 40,000 miles of railway. After this proposition is finally closed the people of Canada will own, control and operate practically one-third of the railway mileage of the Dominion.

What other advantages are to be derived from taking over this road? To-day we have government-owned telegraph lines to the extent of 11,792 miles, 330 miles of which are cables. Add to that the telegraph system of the Great North Western, taken over by the Canadian Northern, together with the lines along the Canadian Northern, and you have 55,364 miles of single wire, of government-owned telegraph, telephone, and cable lines in this country. This proposition includes the Canadian Northern Telegraph Company's lines, and the telegraph system operated by the Great North Western Telegraph company, having 1,570 offices in Canada. An exclusive traffic agreement, renewable from time to time, exists with the Western Union Telegraph Company, and under it the Great North Western company have connection with the thousands of offices of the Western Union in the United States, and also with the Atlantic and other cable lines owned or controlled by that company. Those of us who in years gone by strongly advocated an Atlantic cable between Canada and the Motherland will find in this a very favourable outlook, because the Great North Western Telegraph system is connected up with the cable system, and for a very small expenditure a government cable could be connected up with the Motherland.

Then let us take into consideration the advantage we shall derive from a government-owned express company in this country. I have been strongly advocating that on the Government lines of railway we should have a government-owned express company. This we will have when the Canadian Northern Express company is connected up with the Intercolonial and the government-owned railways. I hope when this proposition is consummated the Minister of Railways will see that the Canadian Express company, and the American Express company remove their agents and offices from the Government lines of railway, and that the Canadian Northern Express company will extend its business throughout the government railways.

What else do we find in connection with this scheme? There are six Canadian Northern steamships running from Montreal to Port Arthur on the Great Lakes. These steamships are estimated to be worth double the figure at which they appear on the books of the railway company. I have been advocating that vessels on our inland waters should come under the control of the Railway Commission. We are starting out, under this proposition, with six government-owned boats. They will be an enormous advantage in investigating the needs of the shippers, both east and west. Then we have the government elevators. We have to-day one government-owned elevator at Moosejaw, with a capacity of 3,500,000 bushels; one at Saskatoon with a capacity of 3,500,000 bushels; one at Calgary with a capacity of 2,500,000 bushels; one at Vancouver with a capacity of 1,250,000 bushels; one at Port Arthur with a capacity of 3,250,000 bushels; one at Port Colborne with a capacity of 2,000,000; one at Montreal with a capacity of 4,000,000 and another with a capacity of 2,600,000 bushels; one at Quebec with a capacity of 1,000,000, and one at Halifax, on the Intercolonial railway, with a capacity of 500,000 bushels—making a total of ten government-owned elevators, with a capacity of 24,100,000 bushels. Take the five Canadian Northern elevators that will now be government-owned, with a capacity of ten million bushels, and you have fifteen government-owned elevators with a capacity of 34,100,000 bushels.

To impress upon the House the enormous possibilities of this road, especially in the West, let me show the number of elevators located along the rights of way of this system, first licensed elevators and warehouses in the province of Alberta on the Canadian Northern, 70 stations, 154 elevators, capacity 4,946,000 bushels; second licensed warehouses and elevators in Saskatchewan, 239 stations, 593 elevators, capacity 17,790,000 bushels; third, licensed warehouses and elevators in Manitoba, 136 stations, 237 elevators, capacity 6,474,000 bushels, making a total of 999 elevators with a capacity of 63,310,000 bushels, which will be located along the rights of way of the Government-owned roads. If you take out the government-owned elevators, you still have a capacity of 29,210,000 bushels in the elevators located along the rights of way of this road. The total capacity therefore of the elevators located along the rights of way of this road in the western provinces will be over 60,000,000 bushels.

Surely this is worthy of consideration in the taking over of this enterprise. Then, we must remember that in taking over this rail-

way the Government is not assuming any responsibility that they are not compelled to assume in the public interest. The interest on the securities must be met. Receivership is impossible. The public will surely suffer if the roads go into liquidation. Our credit would be impaired. Betterments are needed. Rolling stock is needed. The company cannot possibly meet the interest charges, and keep up and improve the roadbed and the rolling stock. The Government must either advance money or take over the road. The Finance Minister has placed before the House so much information in regard to the finances of the company that it would serve no purpose for me to enlarge upon what he has said.

Mr. McKENZIE: Will the hon. member, as a railway expert, permit me a question?

Mr. J. E. ARMSTRONG: That is not very generous on the part of my hon. friend.

Mr. McKENZIE: I am in good faith. Beyond doubt the hon. gentleman is quite an expert, in the theory of it anyway.

Mr. ARMSTRONG: I am afraid the hon. gentleman is saying that with rather a cynical smile on his face.

Mr. McKENZIE: Not at all. The hon. gentleman is not one of those with whom I am cynical. He has described a magnificent property. What explanation does he give for the fact that it is not paying its way? He explains a magnificent heritage which is evidently on the verge of bankruptcy. Can it not pay its way?

Mr. J. E. ARMSTRONG: That is one way of putting it. There is no question that so far as finances are concerned the company is in need of money to pay the interest on its debts, and to pay for rolling stock in connection with the operation of the road. It may be well for me to call attention to the fact that the business of the company has shown a remarkable increase during the last three years, and that the gross earnings of the company for these years were as follows:

1915	$25,900,000
1916	35,476,000
1917	42,319,000

For the same years the net earnings were:

1915	$ 6,623,000
1916	9,373,000
1917	11,525,000

The hon. gentleman may say that while it is true that the road is making a wonderful advance in regard to finances and income it ought to pay interest on its bonds and in addition provide money for betterments, rolling stock, and the running of the road. But every person knows that this is a new road and that it is practically a colonization road. If that hon. gentleman will go into the western provinces he will see that this is one of the best colonization roads that Canada ever had. It has 6,000 miles of branches in the West and it has done an enormous work in promoting the development of this country. We cannot hope to appreciate what Mackenzie and Mann have done in this regard. While a great deal of severe criticism has been heaped upon them in connection with the building of the Canadian Northern, I believe that in years to come the people of Canada will appreciate the enormous energy and wonderful ability which they have put into the development of this enterprise.

The hon. member for Pictou (Mr. Macdonald) and the hon. member for Edmonton (Mr. Oliver) said: Give this road another loan; give it another $20,000,000 if necessary, to carry it over the present year. But the people of Canada will not stand for the granting of another loan to this undertaking. The people of Canada, if I understand them correctly, demand that we deal with this question and take the road over as a government proposition. That is what the Government are attempting to do at the present time. Hon. members talk about the nationalization of all the roads. That cannot possibly be considered at the present time. The hon. member for Edmonton said that the stock of the Canadian Northern was not worth anything. The arbitrators who are to be appointed by the Government, and by the Canadian Northern, will decide as to whether the stock has any value or not. The hon. gentleman declared that the party in power had run this country into debt to the extent of $500,000,000 in this proposition. That is not a fair statement to make in regard to this enterprise. He knows full well that the Federal Government have put into this property in securities and guarantees money to the extent of $104,000,000, and that the provinces have invested in this enterprise $107,000,000. The Government of the Dominion and the provinces have guaranteed the securities of the company to that extent. The sum of $211,000,000 of the money and securities of the people is already invested in the enterprise. It would be folly for us to say that we would allow it to go by default.

Hon. gentlemen opposite seem to be opposed to government ownership. The con-

stant claim of private companies is that they are more efficient than governments. Why should a group of men organized for a certain purpose be less efficient than a larger group of men organized for the same purpose such as a government? Look at the government ownership of the post office. Is it a corrupt hotbed of inefficiency? No. It is a department of transportation. It transports intelligence, letters, papers, money, goods, light freight and small parcels. Hon. gentlemen know that it does business in opposition to the express companies. It is a department whose honesty of purpose, whose administration for the public good is seldom or never questioned. Who would dare to propose to hand over the Post Office Department to a private individual or company? Yet the postal service in all countries was once farmed out to contractors and others. To-day not a civilized country in the world places the post office in private hands. Take many other departments of this Government, such as customs, inland revenue and agriculture; who would dare to say that they could be run by individuals or companies?

Ontario is often mentioned as the home of public ownership. I do not want to take up the time of the House in calling attention to the way in which they have developed public ownership in that great province, but I might mention the Hydro-Electric, in which $50,000,000 of the people's money is invested and which is being successfully carried on. There is no such thing as political manipulation or inefficiency in the management of that great enterprise. If you take other publicly-owned enterprises such as gas companies, street railways and waterworks in the large towns and cities of the province, you will find that they are all being successfully operated and managed free from party politics, and that they are being carried on as business enterprises for the benefit of the people who are being served by these public utilities and who appreciate the enormous advantages which they are deriving from public ownership.

Just a word in regard to the Grand Trunk Pacific and Grand Trunk. They will eventually come under government control. It is unwise for the Government to assume financial responsibility at the present time in connection with these undertakings. We should not look upon this as a party question. Politics should be eliminated from it altogether. All these great public questions, such as the one with which we are dealing, should be considered without any party feeling. Party politics in this land of ours is receiving a very severe jolt at the present time, and the next election will prove that men and measures will count instead of party. This Government must grapple with this problem. It is not a question for experts; it is a question for the Government and for the people's representatives to deal with, and it is up to us to make the very best kind of proposition out of it. The Government have shown that they are not afraid to undertake the responsibility of this question, and they have presented the best possible solution of it. It is the only safe, sound, sane, business-like proposition that has been presented to our consideration, and I am very glad to give it my hearty support.

Mr. E. W. NESBITT (North Oxford): Mr. Speaker, in seconding the amendment of my hon. friend from South Renfrew (Mr. Graham), to the motion for the second reading of the Bill, I wish to assure you that I did not do it with a view of confiscating any value that the Canadian Northern directors or owners may have in the property.

I would be the last one in the world to confiscate anybody's property, no matter in what form it was, without giving him value. I have no hesitation in agreeing with my hon. friend who has just sat down (Mr. Armstrong) in all his premises, practically speaking, that is, that the road has a considerable property value, that it has been an influence in opening up the country, that it has subsidiaries connected with it that are valuable, and that it is a good proposition for the Government to assume control. I absolutely agree that the Government should take over the control in place of extending more loans to the company. I do not know that, as a general rule, I am in favour of government operation of anything, but my hon. friend the Minister of Finance, when he introduced this Bill, in answer to a question by myself, said that this railway would be operated by a corporation or company that would be entirely independent of the Governor in Council, that is to say, it would be operated by a company answerable only to Parliament. I see nothing in the Bill as introduced that would show that to be the case, but the Bill as introduced simply contains a provision to take over the stock now owned by the company. Therefore, I have not any hesitation in taking the word of my hon. friend the Minister of Finance that when he as-

sumes control of the stock he will operate the railway through an independent company, not on the same basis as that on which the Intercolonial is operated at the present time, and again—not that I doubt the ability of the present Minister of Railways to do what it is possible to do under such circumstances—I have to say that the government operation of railways, so far as the history of this country has gone, has not tended to encourage us in taking over more operations of the same kind.

The question now is not as to the value of the physical properties of the road; the question is whether it would be better to refer the value of the $60,000,000 worth of stock to arbitration or to foreclose under the statute of 1914, by which we loaned $45,000,000 under our guarantee of bonds to the Canadian Northern. That, I understand, is the question now before the House.

There is one thing in which I do not agree with my hon. friend from East Lambton, and that is that the physical properties of the road are worth what we are paying for them. So far as I can make out, we are paying about $540,000,000—that is, we are assuming about $540,000,000 of indebtedness—for the physical properties of the road. Sir Henry Drayton and Mr. Acworth, who, together with Mr. Smith, were given authority to investigate the best means of operating the railways of Canada, have arrived at certain conclusions as to the value of this property. The Prime Minister said this afternoon that this commission was not appointed for the purpose of arriving at a valuation of the road. I do not see how the Prime Minister can justify this statement, because, as a matter of fact, they were appointed to find out what would be the best means for the Government to take to operate the railways of Canada, and in doing so, if they were going to recommend government control, they would necessarily have to find out what it should cost the Government to obtain that control; so that I cannot appreciate why the Prime Minister should say that it was not within the jurisdiction of the commission to find the values of these roads. The majority of that commission, Messrs. Drayton and Acworth, find that there had been expended on the Canadian Northern, of actual money, $383,302,451.33. They deducted certain amounts, about $13,000,000 net, for advances to controlled companies to pay indebtedness for interest subsequent to construction and operating deficits capitalized when the system was put together not less than $10,000,000; and interest during 1916 overcharged to construction, not less than $3,000,000; and placed the amount at $370,302,451. They employed a professor in the United States, Professor Swain, for the purpose of arriving at the physical value of the road. Professor Swain goes at it in two different ways. He places the value, as has been stated before, at about $400,000,000. That is a replacement value. He deducts a certain amount from that for depreciation. My hon. friend from East Lambton (Mr. Armstrong) eulogized very highly the value of the rolling stock. I think he said it cost $56,000,000 and would be worth $80,000,000. It is well known that last winter the Canadian Northern engines were not capable of doing their work. The hon. member is the first man I ever heard who increased the value of any plant in the form of machinery after it had been in use for some years.

Mr. ARMSTRONG: The experts informed me that rolling stock such as is used on the Canadian Northern railway is worth double to-day what it was worth previous to the war. That is, if you should go out and attempt to buy cars or engines or anything in the way of rolling stock you would pay more than double.

Mr. NESBITT: I imagined that was what the hon. member meant, that if the same material had to be purchased at the present day it would cost probably $80,000,000. But he must remember that it was not purchased at the present day and depreciation must be allowed for, and the depreciation would amount to a great deal more than the increase in value would amount to.

Mr. ARMSTRONG: I deducted $11,000,000 for depreciation.

Mr. NESBITT: Professor Swain finds in the summing up that the property in its present condition would be worth $357,409,678. This, however, does not include equipment, and he adds $56,000,000 to that, which comes to four hundred and two millions odd, and he puts it roughly at $400,000,000. We are assuming a liability of more than that amount for the physical value of the property. The Minister of Finance this afternoon said that Professor Swain in valuing the property had forgotten to put in the value of the realty, and he placed the value of the realty at $28,000,000 or $29,000,000.

Sir THOMAS WHITE: I placed no value upon it. I mentioned the fact that the lands had been omitted.

Mr. NESBITT: Somebody mentioned the amount, and said that altogether $25,000,000 or $30,000,000 had been omitted.

Sir THOMAS WHITE: Cash assets on hand to the amount of $23,000,000 were omitted.

Mr. NESBITT: They value their "cash on hand, accounts receivable, material, supplies, etc.," at $14,446,152. The items are all put together, and we cannot tell what each separate item amounts to. Accounts receivable, for instance, may be very poor. Material and supplies is simply a matter of stock taking. I would not like to say that these items would be worth altogether $14,000,000 in cash. However, Professor Swain, I understand, left out the lands. My own idea is that Professor Swain meant to say he left out the equity in the lands; that is, the amount over and above the mortgages against the lands, and not that he left out the total value of the lands. As the company themselves value the land at $28,000,000 or $29,000,000, with mortgages against it of $21,000,000, it is very questionable whether there would be much equity left in the land. It all depends, of course, upon when and how they were sold. At a forced sale, for instance, I have no doubt that there would be no equity in the lands at all, judging by how lands depreciate on such an occasion.

My hon. friend the Minister of Finance and the Prime Minister this afternoon said that if we were to acquire the equity in the stock under foreclosure proceedings we would take over the physical property. My hon. friends say that under their proposition, leaving the value of the stock to arbitration, the company would be left in its entity and would operate the road and still be responsible for its liabilities. Now, that is the first time in my life that I ever heard of a company acquiring the stock of a corporation and not acquiring the property of the corporation. I must confess that I am learning something every day—and I have learned a good deal to-day if it is possible for me, for instance, to take over the entire stock of a company and not acquire the company and not be responsible for all its liabilities. I think the Minister of Finance in discussing this matter the other day told us that we would be liable for all the liabilities of the road. In taking over the stock, no matter how it is taken over, I certainly think we shall assume all the liabilities of the Canadian Northern. Surely then, when we are taking over the liabilities, my hon. friend would not say that we were not taking over the assets as well. When we take over the stock we acquire the property just as much as if we acquired it under foreclosure proceedings. I may be wrong, I frequently am; but it would take a great deal of effort to prove to me that when we acquire the stock of a company we do not acquire the physical assets and the liabilities of the company also.

As to whether the company is in default or not, the Minister of Finance this afternoon did not claim that they were not in default. He did say that unless the Government took over the property in the way that he proposed, the company would have to come to the Government for advances again next year, and, to use his own words, "for the next two or three or four or five years to come." Since 1914, when the guarantee was made and the Government were authorized under section 24 to take over the road in case of default, the company have applied for assistance again, and if the Government had not loaned them $15,000,000 in 1916 to help them meet their liabilities, the road would certainly have defaulted.

My right hon. friend the Prime Minister stated this afternoon that surely nobody in this House would confiscate the property. He used a very harsh word when he talked about confiscation. When we take over the equity in the stock, if there is any, by foreclosure proceedings, we certainly are not confiscating anything that the managers of the Canadian Northern have at the present time. Had it not been for our loan of 1916 they would have defaulted. They could not possibly have carried on until now without somebody taking foreclosure proceedings. Supposing they had borrowed this money from a trust corporation or a bank and given the same security that they gave to the Government, and put the same clauses in an agreement that were contained in the statute of 1914—would anybody say that if the trust company or the bank took over the corporation it was confiscating the property in the interests of the trust company or bank? I do not think so; nobody would find any fault with that. Suppose I mortgage my property and cannot pay the interest on the mortgage, nobody would ever dream of saying that the mortgagee confiscated the property because he foreclosed. I had the opportunity of carrying out my agreement and I failed.

A great many people do that under certain circumstances. Nobody finds fault with the mortgagee for foreclosing; neither should the owners of the Canadian Northern do so. I have nothing to say against the en-

terprise of Mackenzie and Mann; indeed, I have much pride in the enterprise they have shown as Canadians in building this road. The building of a great deal of it, however, was a great mistake. For that matter, a great deal of the railway construction work that has been done throughout Canada has been far in advance of the time. Roads are even now being built that, I think, are horrible mistakes; I have spoken about that in the House on frequent occasions. However, these people proceeded with the work, and they were encouraged in it not only by the Dominion Government but by practically all the Provincial Governments as well. They acquired a great property, but I am sorry to say that they have lost out. If I invest some money in a stock margin and the stock goes down, nobody comes to my assistance; I lose out. If I mortgage my property and cannot pay the principal or interest upon the mortgage, I lose the property; nobody says that my property has been confiscated. "Confiscation" is a rather harsh word to use in referring to foreclosure of the stock of this company and the taking over of the railway system. They have had every opportunity; we lent them $15,000,000 more than we promised to lend them when the statute to which I have referred was passed. Moreover, we have paid some three or four million dollars by way of interest upon the guarantee made in 1914 besides the $15,000,000 loan. It is hardly right, therefore, to say that we have treated them unfairly.

I do not see any reason why the stock should not be taken over under foreclosure proceedings. If under this amendment we should take it over, the Government could appoint a commission or a committee to manage the road just as it proposes to do now. An independent commission could be appointed to deal with the matter—I hope that any commission that is appointed will be really independent. I do not see why this could not be done.

I am not going to discuss the merits or the demerits of the corporation, or its value any more than to say—and this is why I am supporting the amendment—that it is proposed to give the company more than the road is worth. I do not think we should take into consideration what the company may earn ten, fifteen, or twenty years from now if the country is prosperous. Many things may tend to cause our country to prosper in the future. The whole energy of the people, not particularly the work of the Canadian Northern, the Grand Trunk Pacific, or any other Canadian railway, tends to increase the prosperity of this road and of every other road in Canada. Why, then, the people should pay in advance for what they are going to do themselves is more than I can understand. As a matter of fact, the present owners of the Canadian Northern should be grateful to the Government for taking over the road and releasing them from their liabilities without payment in respect of the prospective value of the stock. The Government appointed a commission to find out what would be the best system to adopt in connection with the operation of the various railways in Canada. That Commission took upon itself to value this particular road. They have valued it in two or three different ways and in each case they have arrived at the conclusion that there is no equity in the stock. Take the other side of it: suppose we did not lend them the $15,000,000 in 1916; they certainly would have had no equity in the stock by this time because some of the mortgagees or bondholders would have foreclosed. For the life of me, therefore, I cannot see that we should be doing anything unfair in taking over the stock under foreclosure proceedings as provided in the agreement and in the statute of 1914 when we guaranteed their bonds to the extent of $45,000,000.

As to the general principle of the Government's taking over the road, I cannot see that they could do anything else which would be equitable and in the interests of the country. I am sorry that they did not go further and take over the Grand Trunk Pacific as well. I think I understood the Minister of Finance, however, when he introduced the resolution upon which the Bill was to be founded, to say that eventually the Grand Trunk Pacific would be taken over. The Grand Trunk should be very much pleased to hand over the Grand Trunk Pacific, even though they may lose what money they have invested in it. They should also be very glad to make running or feeding arrangements with the Government if they are relieved of the Grand Trunk Pacific, because this $7,500,000 that it is proposed to lend them now is already used up in losses in operation and interest on bonds. There is no probability that in other years the road will be in any better position. Although it is a dead horse, therefore, a great deal of money would be saved in the way of duplications and terminals if this road were taken over. Per-

10 p.m.

haps we might break even in the whole transaction.

However, that is not the question before the House at the moment; we can discuss that when we come to it. The simple question now before the House is not what this road has done for Canada or what Canada has done for it; the question is, what is the better way of acquiring the stock, by submitting the matter of valuation to an arbitration as is proposed, or by foreclosure proceedings? There is no doubt that no matter who the arbitrators are they will take it for granted that Parliament has presumed that there is a value in the stock; otherwise Parliament would not have referred the matter to them for arbitration. That is one good reason why the matter should not be referred to a board of arbitration, and it is a good reason in favour of foreclosure proceedings so far as the equity of the stock is concerned. I am strongly in favour of foreclosure proceedings.

Hon. FRANK OLIVER (Edmonton): I understood it was arranged that a speaker on the other side was to follow my hon. friend for North Oxford (Mr. Nesbitt), but if not, I desire to make some remarks in this connection. I agree with my hon. friend from North Oxford that the question before the House relates to the taking over of $60,000,000 of Canadian Northern stock which has been declared on good authority to have no value. I have not had the privilege of listening to the arguments brought forward by the Government in behalf of what I may characterize as a most remarkable transaction, but, it does not appear to me that any argument can be evolved in support of taking an unstated amount of money, which may be $60,000,000 or thereabouts, out of the treasury of Canada, at the present time, under the circumstances in which we find ourselves and handing that over except for value received. I cannot understand how the Government of the day, charged with the financial and other responsibilities that rest upon it, can come before Parliament and the country with a proposition to pay an indefinite amount, which may be $60,000,000 or thereabouts, for something that is on record as having no value, and which, if it has a value, already belongs by statute to the Dominion of Canada. It would be impossible to express in suitable terms that disregard for the public interest for the financial situation of the country, that is involved in such a proposal. It is to me unthinkable that such a proposal should be made. The worst enemy that this Government has in this country, I am sure, never would have accused the Government of being willing to bring such a proposal forward.

It has been said that the opposition to the Bill before the House involves a suggested confiscation of the property of the Canadian Northern Railway Company. My hon. friend from North Oxford has already dealt with that question. He has shown, in terms that cannot be controverted, that there is no right and that, therefore, there can be no confiscation. But let us assume if you please, that there is a right and a value in this stock. Surely, in that case, it was the business of the Government to come before Parliament with a definite proposal as to how much should be paid by the country for that stock if it were desired to acquire the ownership of this road. On what pretense can the Government come before Parliament and the country with a proposal that, in the terms of this Bill, binds Parliament to pay money of an unknown amount? The Minister of Finance has a high reputation as a business man; he had a successful business career before he gave his talents to the service of his country. But I venture to say that, in all his long and successful business career, he never made such a proposal as a business proposition on behalf of any business interest with which he was connected. I certainly say, with all due respect to the Minister of Finance, that he is not, in this transaction, showing due regard to the welfare of Canada and to the interest of its people when he comes before Parliament with an indefinite proposition such as this involving the possibility of the payment of so many millions of dollars. I do not wish to use harsh language in this connection. I am and have always been willing to give the Minister of Finance credit for the highest motives, for using his best endeavours in the interest of his country as he sees that interest, although he and I do not see the interest of the country in the same light; but I cannot give him or the Government credit on this occasion for honesty of purpose in bringing before Parliament this proposal as it has been brought. If that stock be worth money, there are means of coming to a conclusion as to what amount of money it is worth, and it is the business of the Government first to arrive at that estimate and then to present it to Parliament. If it be a just estimate, it will be supported by Parliament and no one will find fault; but if it

be a fact that this Government cannot come to a conclusion as to what is a fair value for that stock, then when the Government comes with a proposition such as this, it is evidence of anything but good intent.

We are staggering under financial burdens which are increasing from day to day because of circumstances not under our control. We must bear those burdens, and if this Government has any duty to perform in the interest of the cause for which these burdens are being borne, its duty is to see that not a dollar goes out of the treasury of Canada except for good value. By this Bill, we are made subject to the possibility of having to pay out of the public treasury a sum aggregating $60,000,000 for the common stock of the Canadian Northern Railway Company, which stock already belongs to us because of the default of the company under the statute. And if it did not so belong to us, the Government still should not come to Parliament except with a definite proposition as to how much we should pay for that stock.

But that is only a small part of the liability that is being assumed by the country under this Bill. Section 3 says:

—the Governor in Council may assist the Canadian Northern Railway Company, or any company included in the Canadian Northern Railway system, in paying and settling any indebtedness of such company, or postponing the payment thereof, on such terms as may be agreed upon, and for such purposes may make advances out of the Consolidated Revenue Fund, may guarantee payment in whole or in part, and may give the obligations, or securities of the Government in connection therewith.

It may be that the Government has already informed the House as to the extent and nature of the obligations that will be assumed under this section of the Bill. I have not heard any such statement, and I do not think it has been made. If it is wrong to ask the country to become committed to the payment of an unknown amount for stock that is of no value, it is an outrage to commit the country to an absolutely unknown and indefinite amount in payment of obligations incurred or to be incurred, and that responsibility to be imposed upon the country, not by Act of Parliament, but simply by order of the Governor in Council. Canada never saw such legislation before. There never was such a proposal in kind or in amount ever brought before the Parliament of this country. I cannot believe that such an extraordinary and remarkable proposition—involving so many hundreds of millions of dollars—

can be brought forward with good intentions. It has not the appearance and it has not the character of a measure with good intentions. I claim the right to condemn the Government for their proposal because of its terms, but even more because of the lack of good intent as evidenced by those terms.

There is involved in this the general question of railway policy of our country. I alluded to that policy when the resolutions were before the House, and I will again give my views in regard to it. Possibly my views may not agree with those already expressed by others. If that be so I am sorry, but I think the responsibilities are so great that it is only right I should give the views which I hold and hold very strongly. I have stated that judged by the experience of Canada this Government, under the most favourable circumstances, cannot operate the Canadian Northern Railway system either as efficiently or as economically as does the company now operating it. There is no evidence to lead us to believe for an instant that the Government can do so. There is no evidence to lead us to believe that they want to do it, or that it is any part of their intention to do it, or that they could do it, if it was their intention to do it—and I say this with all due respect to the Minister of Railways (Mr. Cochrane). I am not here as a champion of the Canadian Northern Railway Company, either in its inception or in its management, but if the people of Canada have to make a choice between government operation of this railway and its operation by the company, the interests of the Dominion of Canada demand that the present company shall continue to operate it. We have government operation of the Intercolonial and we have government operation of the Transcontinental. There is nothing in the operation of these roads to show either superior economy or superior efficiency over the operation of the Canadian Northern Railway Company. I am not blaming my hon. friend in the matter. It is a condition he has to deal with. There is a condition surrounding the government operation of railways in this country which makes their efficient and economic operation impossible. In taking over and operating 9,000 miles of railroad, we are assuming a responsibility so terrific in its magnitude that I think very few of us understand it or realize it.

There are the three points—the payment of possibly $60,000,000 for stock that is of

no value; the payment of an unknown and uncalculated amount of indebtedness of the company, on the authority of the Governor in Council; and the management of a vast system of transportation, comprising 9,000 miles of railway, by the Government, which has proven itself not as efficient as the company in railway management. Surely these are conditions that should cause us to look much more carefully than we have yet done on this transaction which we are facing so light-heartedly.

It has been said here and elsewhere that Canada has a railway problem on her hands, and the problem is that she has too many railways, and because she has too many railways we are to reduce the number by combining the systems. I absolutely take issue with that view. I maintain that Canada has not too many railways; that she needs the railways she has; that she will need more railways in the future, and that she can get better service and better value from these railways under competitive management than she can in any other way. It is true that the Grand Trunk Pacific and the Canadian Northern were just completed at the outbreak of the war, and the outbreak of the war prevented that further development of the country along their lines which would have brought them traffic and would probably have made them financial successes before now. Still, we did not create the war, and they did not create it; it is a condition which has overtaken us all, and it is childish to speak of either the country or the railways being discredited because of conditions having arisen which no wisdom could have foreseen, and which in the nature of things cannot last much longer.

When those conditions have passed away the railways will be needed for the development of the country. The Canadian Northern is supposed to be a failure as a business proposition because it is not able to pay the interest on its securities. I find from the statement placed before the House that it had the following net earnings:

1915	$ 6,600,000
1916	9,373,000
1917	11,500,000

These were net earnings available for the payment of interest on bonds, betterments, etc. I submit that a railway showing such progress in net earnings under present conditions ought not to be written down as a failure. It is true it is not able to meet its obligations; it is true it is in default; it is true we are entitled to foreclose it to-

[Mr. Oliver.]

morrow if we so desire and that we have no right to pay a cent of money for the common stock; but it is also true, as shown by the statement which has been laid before the House, that so far from its being ill-advised and foredoomed to failure, with the assured growth of our country and of our railways it cannot help but be an abounding success in due time. But, of course, it will have to be carried until that time arrives. Speaking for myself individually, and only individually, I would be strongly in favour of dealing with the Canadian Northern exactly as we are dealing with the Grand Trunk Pacific. So long as we are satisfied that the railways are being economically and efficiently managed, and that the money they earn is going where it should go, the country would be justified in carrying these railway companies over the difficulties of the present time by loans, well secured and at interest, as is being done in the case of the Grand Trunk Pacific. No reason has been placed before the House why the same should not be done in the case of the Canadian Northern.

If this action proposed to be taken is taken in the belief that the people are crazy on the subject of the government ownership of railways, and that any sort of a proposition that will put into their hands 9,000 miles of railway is going to be pleasing to them, I am one to take the view that the people are not fools and that the Government which makes its calculations on the basis that the people do not realize what is in their own interest is making a huge mistake. There is no charm in government ownership unless government ownership means economy and efficiency. A government ownership that means extravagance and inefficiency is surely not a business proposition which will appeal to the people. When, in addition to that, we eliminate the principle of energetic individual competition in our railway services, and in addition that again, we are paying an unknown and vast amount of money for something for which there is no value, I think I am warranted in saying that this is the most unjustifiable transaction that was ever brought before the Parliament of Canada.

On motion of Mr. Middlebro the debate was adjourned.

On the motion of Sir Thomas White, the House adjourned at 10.30 p.m.

Wednesday, August 15, 1917.

The House met at Three o'clock, the Speaker in the Chair.

(Questions answered orally are indicated by asterisks.)

MR. G. O. AIKEN.

Mr. GRAHAM:

July 25—1. Is G. O. Aiken in the employ of the Government in Kingston?
2. If so, what are his duties and his salary?
3. When was he retired from the position of guard, and why?
4. What was the date of his new appointment?
5. Who previously performed the duties of the position to which Mr. Aiken has now been appointed
6. Why was not a returned soldier given this position?

Mr. SEVIGNY:

1. Yes.
2. Sanitary Inspector of Military Buildings in Kingston at a salary of $100 per month.
3. October 30th, 1916, by voluntary resignation.
4. October 19, 1916, and took up his duties on November 1, 1916.
5. No one.
6. Not known.

MR. E. BRYDON JACK.

*Mr. LEMIEUX:

July 28—1. Has a Mr. Brydon Jack, of Winnipeg, been recently appointed superintending engineer for the West, in the Public Works Department?
2. If so, was he recommended by the Civil Service Commission?
3. What is his salary?

Mr. REID (for Minister of Public Works.)

1. Yes, Mr. E. Brydon Jack has been appointed, on 3rd July, 1917, superintending engineer for the provinces of Manitoba, Saskatchewan and Alberta, with headquarters at Winnipeg.
2. The Civil Service Commission has no jurisdiction over appointments to outside staff of Public Works Department.
3. $3,000 per annum

FARMERS' BANK.

Mr. LEMIEUX:

July 28—1. Is any action being contemplated by the Government with a view to reimburse the shareholders of the defunct Farmers' Bank?
2. Has any petition been received during this session by any member of the Government concerning this matter?
3. If so, by whom?

Mr. SEVIGNY:

Finance Department: 1. Answered on January 31, 1917, as follows:

It is not the intention of the Government to introduce legislation for the purpose during the present session.

2. No.
3. Answered by No. 2.

ÆTNA EXPLOSIVE COMPANY.

Mr. BROUILLARD:

1. Is the Government aware as to whether or not the Ætna Explosive Company of Drummondville has closed its doors?
2. Is the Government aware as to how many men this company employed?
3. Is the Government aware as to whether or not the said establishment was closed in consequence of any action of the Imperial Munitions Board?

Sir THOMAS WHITE:

1. The Government is informed that the Aetna Chemical Company, of Drummondville, is in the hands of a receiver.
2. The Government is informed that the said company employed in the neighbourhood of 1,500 people.
3. The Government is informed that the above-mentioned company failed to make deliveries of nitrocelluose powder according to its contract with the Imperial Munitions Board and finally advised the board that owing to financial difficulties, operations would have to be suspended unless the contract price was materially increased.

The Ministry of Munitions was unwilling to amend the contract and pay an increased price. Meanwhile the company went into the hands of a receiver and the Imperial Munitions Board arranged to take from it such powder as it could produce from the raw material it had on hand and to release it from the unfinished portion of the contract.

(The above information has been received from the Imperial Munitions Board.)

CAPT. G. H. CAMPBELL.

*Mr. J. J. HUGHES:

1. How long has Captain G. H. Campbell been engaged in recruiting or other work of a like military character in Prince Edward Island?
2. How long has Major T. F. Fullerton been engaged in recruiting or other work of a like military character in Prince Edward Island?
3. How long has Lieutenant W. A. McQueen been engaged in recruiting or other work of a like military character in Prince Edward Island?

Sir EDWARD KEMP:

1. Captain G. H. Campbell, a returned officer, was employed from 9th February, 1917, to 31st July, 1917.

2. Major (Rev.) T. F. Fullerton has been employed since 21st November, 1916.

3. Lieutenant W. A. McQueen, D.C.M., has been employed since 20th October, 1916.

LIEUT. M. R. HARDY.

*Mr. J. J. HUGHES:

1. Is Lieutenant M. R. Hardy employed in recruiting or other work of a like military character in Prince Edward Island?

2. If so, how long has he been so employed, and what pay or remuneration is he receiving?

3. How much has he received up to the present time?

Sir EDWARD KEMP:

1. and 2. Lieut. M. R. Hardy was employed as recruiting sergeant from March 28 to May 31, 1917, at $1.50 per day.

3. $97.50.

ST. LAWRENCE FLOUR MILLS CO.

*Mr. CARDIN:

1. What are the various contracts, if any, and their respective amounts and dates, between the St. Lawrence Flour Mills Company and the Government?

2. What are the names of the president and general manager of the said company?

Mr. SEVIGNY: It is undesirable in the public interest to give information on such matters at the present time.

FORESTRY BATTALIONS.

Mr. McKENZIE:

1. How many Forestry Battalions were formed in Canada, and how many of them went overseas?

2. What rate of wages is paid to the men of the Forestry Battalions?

3. Are they all paid at the same rate?

4. If any of them are paid extra, what is that extra for, and what is the nature of the work which entitles one to the extra pay?

Sir EDWARD KEMP:

1. List of Forestry Battalions formed in Canada and which have proceeded overseas:

Battalion.	Officers.	Ranks.
224th Forestry Battalion....	47	1,536
230th Forestry Battalion....	30	1,038
238th Forestry Battalion....	44	1,084
242nd Forestry Battalion....	44	1,006
Total	165	4,664
		4,829
Drafts		
Drafts from the various districts	109	3,567
Drafts from 230th Forestry Battalion Depot and not included in 230th Battalion..	40	913
122nd Battalion (converted upon arrival in England).	26	686
Total	175	5,166
		5,341
		10,170

In addition to the above, a large number of men already overseas were formed into Forestry Companies.

2. $1.10 per day in Canada.

3. No.

4. The following special rates of pay are given specially qualified men, after arrival overseas; these rates include regimental pay and field pay of $1.10 per day:

	Consolidated rate of pay.
Millwrights, 2 per Co. of 250....	$3 00
Mill sawyers 2 per Co. of 250....	3 00
Edgermen, 2 per Co. of 250.....	2 25
Saw filers, 2 per Co. of 250.....	2 25
Engineers, 2 per Co. of 250.....	2 25
Log setters, 2 per Co. of 250.....	1 75
Cooks, 2 per Co. of 250.....	1 75
Saw hammerers, 1 per 3 companies	5 50

MEDICAL OFFICERS AT RIMOUSKI.

Mr. LANCTOT:

1. Are medical officers on duty at the port of Rimouski, and are they paid by the Government?

2. If so what are their names and respective salaries?

3. Upon whose recommendation were said medical officers appointed?

Mr. SEVIGNY:

Department of Agriculture.

1. Yes.

2. Dr. L. F. Lepage, $1,200 per annum; Dr. Philip Lord, $1,200 per annum.

3. Minister of Agriculture.

Department of Marine and Fisheries.

1, 2 and 3. In the event of sick mariners, entitled to relief, arriving at the port of Rimouski, the Collector of Customs is authorized by the Department of Marine to employ a medical doctor, who is paid for each individual case treated.

KENTVILLE ARMOURY—CARETAKER.

Mr. MACDONALD:

1. What is the name of the caretaker of the armoury at Kentville, N.S.?

2. When was he appointed?

3. How much is he paid?

4. How much pay has he received since the date of his appointment?

5. What are his duties?

6. How much time does he devote to care of the armoury or contents?

7. Has he ever had any militia training?

8. What is his civil occupation?

9. Will the Government appoint a returned soldier caretaker of the armoury at Kentville, N.S.?

Sir EDWARD KEMP:

1. William Shupe.

2. 4th May, 1912.

3. $1 per day.

4. Answered by No. 3.

5. Care of arms, clothing, equipment, building and grounds.

6. Whatever time is necessary.

7. Not known to have had military training.

8. Teamster.

9. Returned soldiers are appointed, if suitable and available, to vacancies.

KENTVILLE ARMOURY—MILITIA STORES.

Mr. MACDONALD:

1. Are there any militia stores in the armoury at Kentville, N.S., in addition to stores belonging to No. 8 Company, C.A.S.C.?

2. What amount was formerly paid to the officer commanding No. 8 Company, C.A.S.C., annually for care of stores and arms belonging to that unit?

Sir EDWARD KEMP:

1. The clothing and stores of "B" Squadron, 14th Hussars, are stored in the armoury at Kentville, in addition to those of No. 8 Company, C.A.S.C.

2. $80 per annum before the arms, etc., were kept in a government-owned armoury. These arms, etc., are now cared for by the caretaker of the Kentville armoury, who, in addition to these duties, is in charge of the clothing, etc., of "B" Squadron, 14th Hussars, and responsible for the care of the armoury building and grounds.

MR. I. GOLDMAN.

Mr. TURGEON:

1. Is the Minister of Militia and Defence aware that since the outbreak of the war, members of the overseas battalions organized in Montreal have availed themselves of the services of Mr. I Goldman, surgeon-chiropodist of that city?

2. Is the Minister of Militia and Defence aware that Mr. Goldman has been treating returned soldiers who are inmates of the different convalescent homes in Montreal during the past three years?

3. Is the Minister of Militia and Defence aware that at no time since the outbreak of the war, and notwithstanding several thousand treatments, has Mr. I. Goldman asked for or accepted payment for the valuable services he rendered?

4. Is the Minister of Militia and Defence aware that it has been suggested that in recognition of the very valuable services rendered by Mr. I Goldman, and his refusal to demand or accept payment, an honourary commission in the Canadian Militia be extended to him, in order that he may still continue to give those urgently in need of same, the benefit of his services and skill?

5. Is it the intention of the Minister to extend Mr. I. Goldman such honourary commission?

Sir EDWARD KEMP:

1. Mr. I. Goldman, chiropodist, has performed services in chiropody for the soldiers in Montreal.

2. Answered by No. 1.

3. Mr. I. Goldman has rendered an account for his services.

4. Mr. I. Goldman was desirous of being granted an honorary commission. The Director General of Medical Services states that:

There is no precedent that he is aware of for granting commissioned or honorary rank to chiropodists, and that officers who join the Army Medical Corps require a University degree, and that there would be serious objection to giving those not qualified as officers in the Army Medical Corps commissions.

5. Answered by No. 4.

MR. HORMISDAS LAPORTE.

Mr. LANCTOT:

1. Is Hormisdas Laporte, wholesale grocery merchant, of Montreal, in receipt of a salary as a member of the War Purchasing Commission?

2. If so, what is the amount of such salary?

3. What amount has he received since his appointment for living and travelling expenses respectively?

4. Has he a private secretary? If so, who is he and what is his salary?

5. How many clerks has he working immediately under him?

Sir EDWARD KEMP:

1. No.

2. Answered by No. 1.

3. Since his appointment in May, 1915, he has drawn $3,810 on account of living expenses and $752.90 on account of travelling expenses.

4. No.

5. None. All clerks are subject to the direction of the commission.

DESPATCH FROM GENERAL CURRIE.

Mr. GAUVREAU:

1. Has the Government taken cognizance of the following despatch addressed, on the occasion of the third anniversary of the war, by Windermere, from London, in the Montreal Star newspaper?

KEEP UNITED IN CANADA.

From Lieutenant-General A. M. Currie.

"Editor of The Star:

"London, August 4—General Currie, who is now well-established in command of the Canadian Corps, tells me he feels diffidence in sending a message to Canada at this particular moment, for as a soldier, he takes no part in matters of possible political controversy, but my intercourse with General Currie since his advent here with the 1st Canadian Division justifies me in saying that if he felt free to express his views at this critical juncture his message would read as follows:—

"It is my job to fight the troops placed at my disposal to the very best advantage. It is the duty of others to supply me with the necessary troops. I hope the successes of this corps, only possible on account of the united efforts of every officer and man in it, will serve as an inspiration to those at home.

"I hope that, appreciating what we do in the field through uniting all our efforts, they

will do their utmost to remain united in Canada. News from there does not make pleasant reading to men in the field here. Orangemen and Catholics, Anglo-Saxon and French-Canadian, Whig and Tory, fight side by side, and dying are laid side by side in the same grave fully satisfied to give their lives for the cause they know to be just."

Windermere.

2. Was that despatch passed by the Government censor?

3. Did the Government inquire of General Currie about the breach of confidence or of faith committed and admitted in the above publication?

4. Is it the intention of the Government to instruct its Censor Bureau to forbid the publication of any official or public message from overseas military officers or from correspondents stating they represent the views of the latter on matters of possible political controversy?

Sir ROBERT BORDEN:

1 and 2. No telegraphic despatch is permitted to leave the British Isles without the permission of the British censor. Presumably, therefore, the despatch in question was passed by that censor.

3. No. The Government do not consider that any such inquiry is called for.

4. The Government are not aware of any circumstances which render it necessary or desirable to issue special instructions as to the subject alluded to.

SENATOR L'ESPERANCE.

Mr. GAUVREAU:

1. Has Mr. D. O. L'Esperance, of Quebec, been appointed a Senator?

2. If so, what division does he represent?

3. Is he qualified in the division for which he has been appointed according to Section 23 of the British North America Act, 1867?

4. If so, on what property is he qualified?

Sir ROBERT BORDEN:

1. Yes.

2. Gulf.

3. Mr. L'Esperance has made and subscribed a declaration of qualification in accordance with section 23 of the British North America Act.

4. Section 23 of the British North America Act does not require a senator to designate the property upon which he qualifies.

QUESTIONS PASSED AS ORDERS FOR RETURNS.

Mr. FORTIER:

1. Has a Rev. Dr. Burke been appointed a Chaplain in the Canadian Expeditionary Forces, and did he at any time since his appointment go to Rome?

2. If so, when, and for what purpose?

3. How many trans-Atlantic trips has the said Dr. Burke made since the Government appointed him a Chaplain?

4. Is the Government aware as to whether or not he spent much of his time in England discussing politics in clubs and hotels?

5. If so, were any complaints made to the Government in this respect?

6. Is Dr. Burke at present in Canada, and do his duties necessitate his presence at Ottawa or Murray Bay or elsewhere in the Dominion?

7. Has the Government received any representation or complaint regarding Rev. Dr. Burke's expenses?

8. Since his appointment as Chaplain in the Canadian Expeditionary Forces, did Dr. Burke visit Chicago?

9. What amount has Dr. Burke received for pay and how much for expenses?

10. Is he still under pay? If so, at what rate per diem?

11. What duties are performed in Canada by Rev. Dr. Burke at the present time?

12. How much longer does the Government intend to keep Rev. Dr. Burke on the pay-roll?

*Mr. BROUILLARD:

1. Was Rev. Dr. Burke, Editor of the Catholic Register of Toronto, appointed a Chaplain in the Canadian Expeditionary Forces with the rank of Colonel?

2. Did any Bishop or Bishops ask for his appointment? If so, who?

3. Did Rev. Dr. Burke officiate at the front in France or Flanders as a Chaplain? If so, where, and for what length of time?

4. Did the Government or any member thereof receive any complaints about Rev. Dr. Burke, or requests for his removal?

5. Was he removed from the position first assigned him and replaced by Father Workman or Father French?

6. If so, since his removal has he continued in uniform and in receipt of pay?

INQUIRY FOR RETURNS.

On the Orders of the Day:

Mr. LANCTOT (translation): On the 7th instant, I asked the Government to lay on the Table a return in connection with the losses which some members of this House might have met with when the Parliamentary buildings were burnt down.

I should like to know when the Government will bring down that information, I have no doubt that the acting Secretary of State (Mr. Sévigny) has had this report in his hands for many days past and I want to know why he should defer laying it down on the Table.

I would further say that in May last, I had a question on the Orders of the Day as to pure-bred stock being distributed by the Minister of Agriculture in the county of Dorchester, upon the Minister's own recommendation, the question was put down as an order for a return. As for the preceding question, I must suppose these documents are now with the Secretary of State, I should like to have these documents as early as possible.

Mr. SEVIGNY (translation): In reply to the hon. member for Laprairie-Napierville, I may inform him that there is no report

as to the two questions referred to in the Secretary of State department. As soon as these papers have been sent, they will be duly submitted to the House.

Mr. LANCTOT (translation): It take a long time to get those papers. The reason might be that the acting Secretary of State is personally interested in the matter.

WHEAT REGULATIONS.

TELEGRAM FROM NON-PARTISAN LEAGUE.

On the Orders of the Day:

Hon. FRANK OLIVER (Edmonton): I desire to ask a question of the Government and in order to do so I shall read a telegram dated Calgary, August 14. This is a copy of a wire which was sent to the Prime Minister:

> We, the Alberta executive of the non-partisan league strongly resent order Board Grain Supervisors in prohibiting Canadian farmer selling his wheat in United States market, particularly in face of the fact that your Government was good enough to remove the duty so that he might have the advantage of that market. We further seriously question the wisdom and fairness of having a predominating number of grain men on the Board and insufficient representation of the producing farmer class. Further resolved that we are convinced of the injustice of fixing a price on a staple commodity as wheat unless there is a corresponding fixed price on flour, bacon, machinery for productive purposes, and other staple articles of food and manufacture.
>
> (Sgd.) H. L. Wilson, Chairman.
> J. H. Ford, Secretary.

In view of the fact that cash wheat is quoted in Winnipeg to-day at $2.40 for No. 1 Northern, in Minneapolis at $2.85 to $2.90, and in Duluth at $2.83 to $2.90, is it the intention to maintain the present maximum price and at the same time to maintain the prohibition of export?

Sir GEORGE FOSTER: A telegram similar to that was sent to the Prime Minister, as stated. The Prime Minister referred that to my department, and I am now dealing with it. If it is considered best I will make a short statement in the House in reference to the whole matter, probably not later than to-morrow.

UNITED STATES LABOUR FOR CANADIAN HARVEST.

On the Orders of the Day:

Mr. PIUS MICHAUD: I see by the morning papers that Canada has accepted reciprocity in regard to labour with the United States. The article reads that the immigration regulations may be suspended to permit labour to be sent across the border. I would ask the Minister of the Interior (Mr. Roche) if any person living in Canada and desiring to go to the United States will have to report to the immigration agent as in the past?

Sir ROBERT BORDEN: A statement in regard to the arrangement entered into was made in the House several weeks ago, when negotiations with the United States Government resulting in an agreement were completed. Nothing new has developed since that time as far as I am aware. The Minister of the Interior is not in his place at the moment. I shall direct his attention to the question of my hon. friend.

CANADIAN RAILWAY SITUATION.

DEBATE CONTINUED ON MOTION FOR SECOND READING OF CANADIAN NORTHERN RAILWAY BILL.

The House resumed debate from Tuesday, August 14, on the motion of Sir Thomas White for the second reading of Bill No. 125, providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway Company.

Mr. W. S. MIDDLEBRO (North Grey): Mr. Speaker, may I premise my remarks by saying that any theoretic or academic discussion as to the wisdom or folly of government ownership of railways at the present time can help but very little in the solution of the great problem which is now before the House, because we are confronted with a condition and a state of fact, and not a theory, and were it not that this Government is involved so very heavily financially behind the Canadian Northern Railway, and were it not that we are in the midst of a great war, I doubt not that many members of this House would vote somewhat differently from what they will on the present motion. The railway, it appears, was born in the province of Manitoba, a quarter of a century ago, and there, and in the other western provinces, it received its early education. Had it remained there I have no doubt it would have been known to-day as one of the most successful railroads, financially, in the Dominion of Canada. But, unfortunately, it became ambitious, it spread out and desired to become a national railway, and by that means it has involved itself to such an extent that to-day we are compelled to take some action in order to save the situation. After it was

born, in 1896, apparently it got along all right for about three years, because it was not until the year 1899 that it first came to the late Administration and asked for assistance in order to extend its lines to the head of lake Superior. It came back in 1903 and the late Government guaranteed its bonds for $13,000 a mile for the line from Winnipeg to Edmonton. Back again it came in 1908, and the Government again guaranteed its bonds in order that it might extend branch lines throughout the western provinces. Then, in 1911, it came back once more and asked for a guarantee of bonds of $35,000 a mile in order to extend the line from Montreal to Port Arthur, a distance of 1,000 miles, and the Government agreed to guarantee its bonds to the extent of $35,000,000. Upon that occasion it is only right to say that the Government stamped upon that enterprise its character as a national highway, because in the debate of 1911, and indeed in the preamble of the very Act itself by which we proposed to give a guarantee of $35,000 per mile for the 1,000 miles, the railway is thenceforward spoken of as a transcontinental road. I cull from the preamble of the Act: "It is in the interest of Canada as a whole that another line of railway should be constructed from the Pacific ocean to the city of Montreal." What we say is that by that legislation of 1911 the late Government stamped upon that enterprise the character of a national railway, and it was entitled to be treated as such from that time forth. In the debate of 1914, when the company came back to the Conservative Administration for further assistance and asked for a guarantee of $45,000,000 for their bonds, the following statement was made by the right hon. leader of the Opposition (Sir Wilfrid Laurier). I am not quoting this so much in criticism of what has been done by the hon. members opposite, because I think that in a great crisis like the present we should not unduly criticise the actions of our opponents, but should make these matters subservient to the great issue of winning the war. We refer to these matters not so much in criticism of them as in justification of ourselves and of the measure now before the House. In that debate Sir Wilfrid Laurier, at page 3672 of Hansard of 1914, said:

> I may confess at once that I have long believed that this country requires three transcontinental railways and although this theory has been sometimes controverted, in this House and out of it, I have never seen any reason to change my opinion. I have always favoured the efforts of our two fellow citizens whose names have been mentioned several times by my right hon. friend, and who have applied themselves for many years to the task of binding the continent with another band of steel. The late Government were not slow to interest themselves in the enterprise and to favour it as much as they could.

And so we have the railway before us today, impressed with that character, in a country with seven and one-half millions of population, a country with a total railway mileage of something like 40,000 miles. Canada has the greatest railway mileage per capita of any country in the world, so far as I know. In Canada we have one mile of railway for every 185 of our population. In the United States they have only one mile for every 400 of their population. In Great Britain they have one mile for every 2,000 of their population; in Russia, one mile for every 4,000, and in Australia, one mile for every 274. In addition to this, it must be taken into consideration that the Dominion of Canada has transportation facilities such as are possessed by no other country in the world in our great line of inland waterways, extending 2,000 miles from the coast inland, a line of waterways which I believe is not sufficiently appreciated by the people of this country. How water communication with the sea is valued in other places is shown by the fact that the city of Manchester, in order to get water connection with the highways of the sea, has paid hundreds of millions of dollars for the construction of the Manchester ship canal, and the city of Edinburgh and the city of Glasgow and the city of Belfast have done the same. So that our position as the country in the world with the greatest railway mileage according to population is made even more striking by the fact that we have this great inland waterway in addition, so that we really do not require such a great railway mileage as a country not enjoying this great natural advantage.

The Government of Canada now own and operate a very considerable railway system. If the proposed Bill goes through and we take over the Canadian Northern Railway, we will add to the mileage of government-owned railways in Canada, in round numbers, 10,000 miles. We already have the Intercolonial with 1,500 miles, the National Transcontinental Railway with 1,800 miles, and the Prince Edward Island Railway with 275 miles. In other words, if this proposition goes through, the Government of Canada will be the owner of something like 13,600 miles of railway. Thus Canada will own one-third of the

total railway mileage of the country. Then we shall be able to see whether or not government ownership can be made to pay and is in the interest of the people of the country. Our ability to make the railway pay is very doubtful, nor is it certain that we can operate it as cheaply and efficiently as it can be operated by private enterprise. But we are in a position where we can scarcely help ourselves, and though we have come to the conclusion that we should pass this Bill, to a certain extent, we are not free agents. Canada has given to the Canadian Northern Railway system vast sums in subsidies and guarantees. The Dominion Government has given to the Canadian Northern Railway $31,000,000 in subsidies. In addition to that we have guaranteed their bonds to the extent of $104,000,000; in addition to that we have given them a loan of $15,000,000, making a total aid to the Canadian Northern by the Dominion of Canada in subsidies, in guarantees, and in cash, of something like $151,000,000. But that is not all. The provinces and the municipalities have given cash subsidies to the extent of $7,000,000, and guarantees have been given by various provinces of $107,000,000 more. In addition to that the railway has received provincial land grants, the value of which is somewhat uncertain, but some of which they have sold for $16,000,000 and on others of which they have raised, by way of mortgage, some $17,000,000. Thus the Canadian Northern Railway has to-day received by cash, by subsidies, by guarantees from the Dominion and Provincial Governments, and by land grants, total aid to the extent of $301,000,000. I believe that this is two or three million dollars more than the amount set out in the Drayton-Acworth report, but that difference is accounted for by the fact that the Commission put down as a liability of the Government only the $10,000,000 which they loaned the Canadian Northern Railway upon $12,500,000 of bonds guaranteed by the Dominion Government. And they put that in as one of the liabilities, instead of putting in the $12,500,000, because we are really liable for the amount of the guaranteed bonds, and not merely the amount of the loan. So that I am safe in saying that public aid has been given to the Canadian Northern by the public, either by Dominion, provinces or municipalities, in subsidies and guarantees and land grants to the extent of $301,000,000. The question as to what the road is worth is a very vexed question, and I will venture to say that there is no man in this House who can say what it is worth. I know that I, sitting here, with the little knowledge I have acquired, am not prepared to say what it is worth, and I am not prepared to say that Mackenzie and Mann have not a certain interest in that road. I do not think any man in this House can estimate with any degree of certainty what the road is worth, and if we cannot do that, we cannot arbitrarily fix the price of the equity of redemption which the Canadian Northern shareholders have in that railway. The Drayton-Acworth report says that the maximum cost of the road is $370,000,000. I suppose that means the actual money put into the road, but that does not tell us the value of the road. It may have cost too much, or may have been very economically built, and may be worth more than it cost. They take another method and say, "We will take the reproduction cost," they find what it would cost to reproduce that road, and they take off so much for depreciation, and they give us, as a reproduction cost, $392,000,000. But that is not necessarily the value of the road. The value may be more than that. It depends on how it is doing, what it can earn, what its potentialities are, what dividends it is paying, or what it may be expected to pay in the future. Is there a man in this House who is prepared upon his own knowledge to say—and he would have to do that if we came to the conclusion to fix an arbitrary price for the railroad—that the stock is worth so much, and not one dollar more or less. I do not think any man can take that stand. There is a rumour current in this country that another large railway corporation has offered a very substantial sum for the equity of redemption over and above all encumbrances. It may be that they would give a larger price than our estimate because if they got the road they would eliminate competition. I do not for one moment think this Government, or any other Government, would consent to the acquisition of that road by one of the great railway corporations of Canada, and thus create a railway monopoly in that respect, but looking at it from Mackenzie and Mann's standpoint in that respect, it has some value to them if that rumour is true.

Now, then, what are the outstanding obligations against it? We have got what the Government have given in the way of aid, we have got what it has cost, and what would be the cost of reproduction. What is there against the road? The Drayton-

Acworth report says there is something like $400,000,000 outstanding against the road in bonds, debentures, notes, bank and other loans. Assume that statement is true, the company come back to us now and say: "We cannot go on further and meet our obligations, unless we are assisted." They told us the same thing in 1914, when they came to us for the guarantee of $45,000,000, and they said, if I remember rightly: "It requires $100,000,000 to complete this road, and to put us in a fair way of operating, and send us on the road to success, and if we get that we will never come back again." We took them at their word. We pretty nearly had to, because we were behind them. If we had not done so we would have forfeited what this Government and the previous Government had loaned them. They say that, notwithstanding that assistance, they are not able to go on, and they give us some reasons. They say that when that Act was passed there was no war. That is quite true. We granted them the loan before the war was declared. They said then that they had securities out of which they expected to realize $58,000,000. In consequence of the war they were unable to realize anything like that amount, and a great many of those securities they were not able to sell at all. It was expected the $45,000,000 of bonds which we guaranteed would sell for $42,000,000, and, as a matter of fact, they only sold for $36,000,000 odd. In addition to that, the cost of completing the road was very much more excessive than they had anticipated, owing to the war, and, in addition to that, in the early days, the war itself had a very disastrous effect on the receipts of the company. So that, while they may have thought at that time, when no war was on, that they would have been able to carry on operation of the road with no further assistance, there is some show of reason for them coming back for further assistance. At any rate, we are in this position, that they must have assistance, or go to the wall. We cannot allow them to go to the wall, unless we are prepared to forfeit all the assistance we have given them, and let the road go into bankruptcy. The Drayton-Acworth report says they require $70,000,000 to provide them with sufficient rolling stock and betterments during the next five years. A railway is no good to the country, unless it has proper equipment. They say the Canadian Northern has only two cars for every mile of its road, as compared with seven cars per mile on the Canadian Pacific Railway.

Mr. GRAHAM: Three, is it not?

Mr. MIDDLEBRO: Yes, three cars. I ask hon. gentlemen of this House, in what position is a railway desiring to compete with a company like the Canadian Pacific Railway, with cars in proportion of seven to three? I think it goes without saying that something must be done, in order to provide the Canadian Northern with further rolling stock, in order that it may, at least, compete and give proper service to the people of the country, and, after all, it is the people of this country in whose interests we are acting. It was for the benefit of the people of the country, that we gave assistance, and only for their benefit, and if it were not for the benefit of the people of the country, we had no justification in advancing the money. Having loaned the money which we did for the benefit of the people of this country, it is our duty to see that that benefit is preserved to them, even if it costs more than we anticipated.

As to the question of receivership, I do not know that any man in this House has directly said that he is in favour of the company going into receivership. I do not think any man will say that, but the idea seems to be abhorrent to pretty nearly every one I have met. The Drayton-Acworth report sums up the question of receivership in this way:

> Under a receivership the holders of the junior securities have to submit to compound their claim, and the fixed charges are reduced to an amount that the net revenue from operation suffices to meet. Ought this drastic course to be adopted here? We think not. We think the security holders of the companies have to some extent a moral claim on the Government. Their schemes of extension have been matters of public knowledge for many years. So far from discouraging them, the governments, both of Dominion and of the Provinces, have by subsidy and by guarantee, by loans and cash advances, encouraged them to go on.
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> But there is more than this. The bonds and debentures of the Grand Trunk Pacific and Canadian Northern have been placed in the main through London with non-Canadian holders. And these holders in subscribing have unquestionably been influenced by the fact that the companies were backed by the Canadian Government. Technically, of course, the Government has no responsibility beyond that of meeting its own guarantees. But if the two companies went into the hands of receivers, we cannot doubt that investors outside Canada would believe, however erroneously, that the Dominion Government had treated them badly, and that the result would be serious injury to the credit of the Canadian Government, and indeed of all Canadian enterprises. And this result is one that, putting

it on pecuniary grounds alone, the Canadian people should in their own interest spend a good deal of money to avoid. We therefore consider that Canada should assume the responsibility of seeing that the interest on these securities is met.

And then my right hon. friend the leader of the Opposition, speaking in this House, in reply to the Premier, at page 3677 of the Hansard of 1914, said:

My right hon. friend said, and I altogether agree with him, that we cannot allow this enterprise to fail. We have too much money in it—not only the money of the country, but of the provinces and of the bond-holders themselves.

Later on he says:

We require this railway. My right hon. friend said he would not let it go into liquidation. It must not go into liquidation, but we should have the control of it. Since we must go into partnership with the Canadian Northern Railway, let us see that we are the master, not the servant.

Under this measure we propose to be the master, not the servant. As I have said, we have assisted to the extent of $151,000,000, and the provinces to the extent of $107,000,000, in the way of guarantees. We are the last mortgagees; our claim comes last, and we must either come to the rescue of this system or let it go by default and thereby forfeit what interest we have in it. What does the Drayton-Acworth report say in summing up the situation with regard to the Canadian Northern Railway system? This is the opinion of the commissioners?

We sum up the Canadian Northern situation as follows: The company is not at present able, and will not for some years to come be able, to meet its fixed charges. It will, we doubt not, increase its net earnings as the years go by. But the increased net earnings will be fully absorbed for some years to come by the interest on new capital, which must be put in, if the system is to render efficient service. The company has not now, and as far as we can see will not have in the near future, such credit as to enable it to raise the necessary capital. As we have already shown, the public investment, direct and indirect, in the Canadian Northern system amounts to $298,000,000. We do not recommend further public investment in the system, as at present constituted.

The people of Canada do not want this Government or any other Government to grant further assistance to the Canadian Northern Railway system while the owners are either Mackenzie or Mann or any other private interest. The Finance Minister very neatly summed up the situation in the following words:

The true policy would seem to be that which will ensure not only the best public service but a substantial degree of public ownership

in order that the benefit of the large financial assistance granted from the public exchequer during the critical period of the development of these roads shall enure to the benefit of the public when the enterprises reach a period of fruition. If the public does the financing, the public should enjoy the ultimate reward.

That is a sound summing up of existing conditions, and which are amply provided for in the Bill now before the House.

I now come to the question of the value of the equity. The member for South Renfrew (Mr. Graham) introduced an amendment which, apparently, he thought was something new; something not contained in the Bill before the House. But if he will examine his amendment closely he will find that to all intents and purposes we have acted under section 24 of the Act of 1914, although we have eliminated its objectionable features. This section says:

If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe—

The whole section rests upon that sentence.

—at any time while any event or default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment, or any rule of law or equity to the contrary notwithstanding.

There seems to be a great divergence of opinion on the other side of the House in regard to what action we should now take in this matter. For instance, the member for Welland (Mr. German) does not deny that Mackenzie and Mann have some interest in the stock of this company. He goes so far as to say that he is willing that the judge of the Exchequer Court should determine the value, if any, to be placed upon the equity of Mackenzie and Mann in the $60,000,000 worth of stock. Well, we are with him in that respect. He says that some court should determine the value of that stock. The only difference, therefore, between our opinion and his is whether the matter should be decided by a judge of the Exchequer Court or by a board of arbitration, as proposed in this measure. But a judge is an arbitrator; if the matter were submitted to a judge he would be the sole arbitrator in respect of the value of the equity in the Canadian Northern stock. Per-

sonally, I would rather trust to the judgment of three gentlemen than to the judgment of one. Under the method proposed, one arbitrator is to be appointed by the railway company, one by the Government, and the third by the two arbitrators so appointed. If the arbitrator appointed by the Dominion Government comes to the conclusion that the other two are, to use a vulgar expression, trying to "put it over" him, he may, under the provisions of this proposed measure, refuse to agree to the arbitration and then an appeal may be had to the Supreme Court of Canada. If the Government cannot trust such a matter to the Supreme Court of Canada, why should it be willing to trust to that court cases in which any other persons are interested? It seems to me that that argument cannot be refuted.

Then we come to the member for Carleton (Mr. Carvell). I do not say that these hon. gentlemen have not come honestly to these conclusions, but the fact that they differ emphasizes the difficulty of the problem with which we are dealing. If I interpreted aright the remarks of the member for Carleton, he took the ground that we should not take this road over; that we should give the Canadian Northern Railway Company another loan; that we should continue the plan that we have hitherto been following. He believed that in a short time the Canadian Northern would be able to finance successfully its own operations. He expressed himself as not being in favour of public ownership. Here we have another difference of opinion.

Then we come to the member for South Renfrew (Mr. Graham). If I interpreted his remarks aright, he is in favour of foreclosing under section 24 of the Act of 1914, but as to the value of McKenzie and Mann's stock says: Let us have the courage to state definitely what the stock is worth. Well, if we had taken that stand if we had said that the Canadian Northern stock was worth $100,000, $5,000,000 or $10,000,000, the member for South Renfrew would have said: why did you not leave this matter to arbitration? You have come to some sinister understanding with Mackenzie and Mann as to the value of the stock, knowing that a board of arbitration would not find the stock to have that value. I think we took the proper course when we provided that the matter of value should be referred to a tribunal for determination.

What does the member for St. John say? Give them nothing at all; foreclose under the mortgage and deny them the right to have any value that may be in the stock determined by any tribunal. It seems to me that that would be a sort of star chamber proceeding. We should be saying to them: you are guilty; we condemn you; we give you no opportunity of saying whether the stock is worth one dollar or ten million dollars. We will just take it and there is nothing coming to you. I do not think anybody would support such a proceeding as that.

Then, what does the member for Edmonton (Mr. Oliver) say?

He says: Let the road go on as it is; let it continue to be operated by the present management, and I have no doubt that in time it will be able to finance itself. We cannot follow the advice of all these hon. gentlemen because of the diversity of their views. We must act on our own views. We are, in effect, acting under section 24, in that we are taking advantage of those features of section 24 which are favourable to ourselves, and following the Drayton-Acworth report as to the balance. Is not the effect of what we are doing to-day this? We are asking Parliament to authorize us to become the owners of the stock and the road upon the prescribed condition that the value of the stock or equity, if any, shall be determined by arbitration. That is practically following the wording of section 24. That is the first thing we are doing. We are, however, eliminating certain features of that section of the Act. If we acted altogether under section 24, we would become the owners of the physical property of the Canadian Northern, and when one becomes the owner of any physical property, one immediately has to control and operate it. If we acted according to the provisions of section 24 exactly as it stands to-day, the Minister of Railways would have to operate the Canadian Northern railway. I have already had an application from a man for an appointment as trainmaster on the Canadian Northern, and my hon. friend from St. Antoine (Sir Herbert Ames) has had a similar application. That shows that if we carried out the provisions of section 24 and became the owners of the physical property of the Canadian Northern, every hon. member would be hounded by applicants for positions on that road, and I for one will not consent to any such course being adopted. By the course we purpose adopting, we preserve the entity of the Canadian Northern as a corporation. We become the owners of the stock of the Can-

adian Northern, and as owners of that stock we consequently become the owners of the railway, but we leave the operation, control and management in a body still called the Canadian Northern, but operated by directors appointed by this Government. I hope, in their operation, they will be as entirely free from political control and party patronage as is the Board of Railway Commissioners for the Dominion of Canada.

In addition to that, by the course we purpose adopting, we eliminate the possibility of having to renew all those bonds and agreements outstanding against the Canadian Northern. We eliminate anything in the nature of a financial crisis, because the Canadian Northern, so far as its operations are concerned, goes on just as it is to-day, but under our direction and ownership. We follow the Drayton-Acworth report in this respect. If we acted under section 24, we would become the owners of the physical property of the Canadian Northern railway. The Drayton-Acworth report says that this country should not become the owners of the physical property of that road, and in order to avoid that, they recommend a scheme of a Dominion Railway company, the stock of which should be owned by the Dominion of Canada, but the physical property of which should belong to the Dominion Railway Company. In that way they endeavour to divorce the operation of the railway from politics and political control. We follow that recommendation by means of the present Bill, because we simply buy the stock, and in that way become the owners of the road.

I do not know whether we are very much concerned with the question as to whether or not the stock has any value, because the Bill purposes leaving that question to arbitration. As, however, allegations have been made in this House that the stock has no value and that therefore we should not appoint arbitrators and thereby give the company an opportunity to claim any value, I will read what the Drayton-Acworth report says on the matter. It did not occur to me that it was within the jurisdiction or the province of the Drayton-Acworth Commission finally to fix and determine the value of the equity of the railway or of the stock of the Canadian Northern Railway. I read from the commission appointing them. They were to inquire into:

2. The status of each of the three transcontinental railway systems, that is having special reference to the following considerations:—

(a) The territories served by each system and the service which it is capable of performing in the general scheme of transportation;

(b) Physical conditions, equipment and capacity for handling business;

(c) Methods of operation;

(d) Branch lines, feeders and connections in Canada;

(e) Connections in United States;

(f) Steamship connections on both oceans;

(g) Capitalization, fixed charges and net earnings having regard to (i) present conditions, and (ii) probable future development with increase of population.

3. The reorganization of any of the said railway systems, or the acquisition thereof by the State; and in the latter case, the most effective system of operation, whether in connection with the Intercolonial railway or otherwise.

4. Generally speaking, all matters which the members of the Board may consider pertinent or relevant to the general scope of the inquiry.

Mr. ROSS: How would the hon. member interpret what is submitted to the commissioners under paragraph (g) of section 2, and under section 4?

Mr. MIDDLEBRO: I would admit that paragraph (g) of section 2 comes nearest to the question of determining the value of the equity, but it says "capitalization."

Mr. ROSS: How about section 4?

Mr. MIDDLEBRO: That is a general clause. If the Drayton-Acworth Commission were arbitrating for the purpose of determining between the Government and Mackenzie and Mann as to the value of the equity of the latter, surely Messrs. Mackenzie and Mann would have the right to appoint one of the arbitrators on the board to determine the value of the stock. I mean that, as between the Government and Mackenzie and Mann and the Canadian Northern, we surely would not have the right to appoint all three arbitrators, giving Mackenzie and Mann or the Canadian Northern no voice in the appointment of one of them, and to say: Now this absolutely fixes and determines the value of your stock.

Mr. ROSS: How does my hon. friend account for the fact that so much of the report on the Canadian Northern relates to this question? Does he suppose that the commissioners were not able to judge as to the scope of their commission?

Mr. MIDDLEBRO: I do not suppose that Messrs. Drayton and Acworth assumed that whatever value they put on the stock of the Canadian Northern would be the final determination of the value. I might just as well appoint three members on this side of the House as a commission to

determine the value at which my hon. friend should sell his farm to me. It was never intended by this House that the Government should have that power. The only thing intended by this commission was to give this House some general information upon which it might base future action, and then it was for the House to act upon it or not as they saw fit. It is true that Messrs. Drayton and Acworth in their report say that they do not think the common stock is of very much value, but nevertheless they say this:

We think that, on the whole, the equity of the case would be met, if the Canadian Northern shareholders were permitted to retain a moderate portion of the $60,000,000 of shares which they now hold.

Then under the heading of "arbitration recommended," they go on to say:

But under the scheme we propose, the Trustees will operate the Canadian Northern lines as part of a combined system. It will be impossible, therefore, for the Canadian Northern Company, as such, ever to earn a dividend on its separate stock. We suggest that, if it is decided to permit the present shareholders to retain a portion of their holding, the Act of Parliament constituting the Board of Trustees, shall contain a provision for arbitration between the Trustees and the Canadian Northern Company establishing an arbitration board to act forthwith. The Trustees should appoint one arbitrator and the Canadian Northern shareholders the other, and the two arbitrators should agree on the appointment of an umpire; failing agreement, an umpire should be appointed by the Chief Justice of the Exchequer Court; and the decision of the board should be final.

The arbitrators should be empowered to decide two questions:

(1) What proportion of the Canadian Northern common stock may fairly remain the property of the present holders?

(2) What proportion of the earnings of the Dominion Railway Company may fairly be regarded as attributable to the Canadian Northern lines?

To illustrate our meaning, we will assume that the arbitrators decide that 5 per cent of the Canadian Northern shares shall remain the property of the existing holders, and further decide that one-half of the total earnings of the Dominion Railway Company will be fairly attributable to the Canadian Northern lines. Then their decision will mean that, out of any dividend declared in future by the Dominion Railway Company, 2½ per cent (one-half of 5 per cent) will be payable to the existing Canadian Northern shareholders or their transferees.

What I want to point out is this. The commissioners themselves confess that Mackenzie and Mann had some interest at least in that equity of $600,000,000—I do not care whether it is $1 or $1,000,000—and they recommended arbitration for determining the value. That is exactly what we are proposing to do. We do not want to commit ourselves as my hon. friend from South Renfrew and his followers did in 1914, by setting a maximum price upon the stock of the Canadian Northern, because to do that suggests that you are willing to pay any amount up to that maximum, and it might induce the arbitrators to come to the conclusion that the stock is worth more than what it is. So we say that the arbitrators shall determine the value of the stock, whatever it may be.

Then there is this other point—and I am sure my hon. friends will admit the justice of this. It has been proved by the Minister of Finance that when the Drayton-Acworth Commission came to the conclusion that the stock of the Canadian Northern might not be worth anything, or that its liabilities were practically equal to its assets, they omitted to take into consideration some very valuable assets of the company. For instance, they omitted 3,000,000 acres of land the value of which I think was put at $3 an acre; that would give $9,000,000. They also omitted $7,000,000 of deferred payments on lands which have been actually sold.

In my humble opinion that would be the best kind of an asset, because if the lands have been sold no doubt a very substantial payment has been made on account, and the balance would therefore be properly secured. The commissioners also omitted $2,400,000 in trust account in respect of lands sold. That gives something like $18,000,000 of assets that the commissioners apparently did not take into consideration when they stated that the stock was not worth anything. I do not want to suggest for one moment that the Canadian Northern Railway are entitled to any such sum as $18,000,000, because that mistake was made. I do not want them to get one dollar more than the stock is worth, but I am not prepared to stand up here and approve of any Star Chamber method of taking a man's property for the benefit of the Crown and saying that he shall not have the right to prove that it is worth something. What would hon. gentlemen think of a municipal council that went to a man and said: "We want your land for the purpose of a park. We find there are $4,500 encumbrances against it. We do not think your property is worth more than such a figure, and we are not going to give you anything for it. You shall have no opportunity of going before a court and proving that your property is worth more than the figure we set." That is the position hon. gentlemen opposite take, because section 24, under which my hon. friend moved his amend-

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ment, expressly states that it shall be upon such terms as Parliament may prescribe. Now Parliament may do anything. Parliament may prescribe that they may take my property and not give me a cent. Parliament is all-powerful. But this Parliament says: "We are going to take your property, but its value shall be determined by arbitration."

The most remarkable thing about this whole discussion is that in 1914 hon. gentlemen opposite were in favour of this very principle of arbitration. When we were proposing to guarantee the bonds of the company to the amount of $45,000,000, the hon. member for St. John seconded, and the right hon. leader of the Opposition moved, the following resolution:

> That the said Bill be not now read a third time, but that it be resolved that under existing circumstances no assistance should be given to the Canadian Northern Railway unless at the same time it is provided that the Government have power within a reasonable time to acquire the ownership and the entire stock of the company at a price to be fixed by arbitration but not to exceed $30,000,000.

When we were proposing to guarantee the bonds hon. gentlemen opposite said: "No, you should not do that. You should do what we propose in that resolution." That is the resolution they voted for in 1914. Now the common stock of the Canadian Northern Railway is worth just as much to-day as it was worth in 1914, if not more, because every dollar of the $45,000,000 has gone into the road, and the net earnings of the railway are increasing from time to time. Yet hon. gentlemen opposite in 1914 were willing to give as high as $30,000,000, provided the arbitrators decided upon that amount. Among those who voted for that resolution were Messrs. German, Lemieux, Macdonald, Maclean (Halifax), McKenzie, Murphy, Nesbitt, Oliver, Pugsley, and Sinclair. The very fact of fixing a maximum price of $30,000,000 for the stock presupposes that you think it might be worth $30,000,000; otherwise you would have no right to fix that maximum price. A day or two after that resolution was moved, we got $40,000,000 of that same stock for nothing, or as part of the terms of the 45 million loan. Therefore, we got $12,000,000 of a possible value in that stock immediately the Act went through, as the 40 million is two-fifths of the whole stock.

Mr. McKENZIE: Does the hon. member still regard that $45,000,000 as a loan, or as money which Mackenzie and Mann got, and which we will never get back.

[Mr. Middlebro.]

Mr. MIDDLEBRO: It does not matter whether it is a loan, or a mortgage, or a subsidy, or a grant, or anything else. Whatever it was, it went into the road. Every dollar of that $45,000,000 was expended under the Government's supervision, and everything that went into the road we are now getting back, because we are taking the road over. My hon. friend from St. John, who seconded the resolution I have just read, to-day takes this position: "Not a dollar. No arbitration at all. Foreclose them out. Give them no hearing whatever." Why did not hon. gentlemen opposite not move this amendment in 1916, after default had been made and when the company asked the Government for a loan of $15,000,000 more? There was one gentleman who so moved in 1916, but he forgot it in his speech the other day, and that was the hon. member for St. John. As late as 1916 I find that the hon. member for St. John was still in favour of paying the Canadian Northern Railway Company something for their stock. When the loan for $15,000,000 to the Canadian Northern Railway was proposed in 1916 he moved the following amendment:

> Before making any such loan the Governor in Council shall require the company to give to His Majesty the King an option to acquire at any time within 5 years from the date thereof the railway's other properties included in the Canadian Northern Railway System at such price as to the Governor in Council may seem reasonable under existing circumstances.

In speaking on this motion he said (Hansard, 1916, page 3582):

> If I remember rightly, I moved a resolution at that time fixing the amount at which the country would be entitled to take over the road, at a maximum of $30,000,000, and that resolution was put to a vote of the House.

Further on he said:

> Are we going to advance this at present bankrupt concern $15,000,000 in addition to the $45,000,000 guaranteed in 1914 and to the other assistance which has been given, so as to tide it over until a day when prosperity again may come to it, and then be obliged, in order to acquire the system and to nationalize the railway, to give Mackenzie and Mann, not $30,000,000, but practically whatsoever they choose to ask?
>
> Does not the Minister of Finance think this is the time to fix the terms upon which this country may take over the Canadian Northern railway should we decide to do so? I submit this for the consideration of my hon. friend. While it is true he does not give us a very great opportunity to present amendments, yet I think that is an amendment which he himself ought to propose, so that if the country should decide to take over this system, it may know that the system will be taken over on reasonable terms.

An hon. MEMBER: Who said that?

Mr. MIDDLEBRO: The hon. member for St. John. A little later on, speaking of the Minister of Finance, he said:

> I do not charge him with deliberately treating the House unfairly, but he should have submitted to us a statement of the earnings and operating expenses of the different railroads that go to make up the entire Canadian Northern Railway System, and he should have acquired from these companies an agreement under which at any time within the next three years or the next five years, if the country desires to take over the system, the Government shall have the right to do so at a stated maximum price.

It is only last year that the hon. member for St. John was willing to take the Canadian Northern railway over at a stated maximum price and he did not ask that the price should be left to arbitration or any thing else. But that is not all. Further on in the same debate he said:

> Now, does it not seem that the company having been obliged to come again to the Government for an additional $15,000,000, the Government ought to take an option from the company, on reasonable terms, for a reasonable amount, which option could be exercised or not as Parliament in the future might determine. I would not suggest that any injustice whatever should be done to the company. I should think that it ought to be recognized that these two gentlemen, Sir William Mackenzie and Sir Donald Mann, notwithstanding what may be said by their critics, are deserving of a large measure of praise, a large degree of credit, for the enterprise and foresight they have shown.
>
> In 1914 I moved a resolution, the effect of which would have been that the Government would have the right to take over the equity of Mackenzie and Mann, Limited, which means Sir William Mackenzie and Sir Donald Mann, at a sum not exceeding $30,000,000.
>
> But the time has arrived when with the company coming back again for assistance, for the enormous sum of $15,000,000, the Government should come to an understanding with Sir William Mackenzie and Sir Donald Mann, and have it clearly understood that if, within a reasonable period, say within five years, the Government and Parliament should, in the interests of the people of Canada, take over this road they will affix to it as a condition a reasonable sum at which the equity of these gentlemen should be acquired for the country.

Even as late as last year the hon. gentleman was willing to enter into an agreement with the Canadian Northern to buy the stock of the company, because the equity in the stock, at a reasonable sum provided it should not exceed $30,000,000. Yet to-day he objects to arbitration for any amount. In conclusion, let me say that I think the measure before the House is the only solution of one of the most difficult and complex problems that has presented itself for the consideration of Parliament in the railway and financial history of Canada. I have looked at the matter in many ways and I cannot see any better solution. As far as I am personally concerned, I would vote against any solution that was not in the interest of Canada at the present time. I claim that the proposal as contained in the Bill should receive our support because:

1. We become the owners of the road.
2. We become the masters and not the servants of the Canadian Northern railway.
3. The arrangement preserves the entity of the company and avoids physical ownership and consequently political partisanship in the operation of the road and the appointment of the servants and agents thereof.
4. It does not disturb existing securities.
5. It avoids further loans to private owners.
6. It prevents receivership and financial panic at a critical period.
7. Any benefit or increase in the value of the road in future, due to our efforts and assistance will enure to the public benefit and not of Mackenzie and Mann.
8. It will permit operation and control by an independent board of directors free of political control.
9. It will enable a better public service to be given through proper provision for adequate rolling stock and betterments.
10. So far as the Canadian Northern Railway is concerned, it is in line with the recommendations of the Drayton-Acworth report in that it avoids receivership, assumes liabilities, avoids further aid under old conditions, and gets the ownership of the road through the ownership of the common stock. All these considerations have been recommended by the Drayton-Acworth report.
11. If this suggestion is any good, it carries out Sir Wilfrid Laurier's resolution of 1914 which proposed that we should become the owners of the stock, and be the masters of the situation, and which was supported by his followers.

As far as I can see this is the only reasonable solution during these strenuous times and the only one that is fair not only to the people of Canada but to the Canadian Northern Railway as well.

Mr. D. D. McKENZIE (North Cape Breton): Mr. Speaker, I have listened attentively to the address of the hon. member for North Grey (Mr. Middlebro). As far as history of this enterprise is concerned, I have no fault to find with the way in which he put the different steps in connection with the Canadian Northern Railway

before the House. But I do say the usual results will follow from his speech; that is that when one starts with wrong data, and takes for granted certain premises that are wrong, he is bound to reach a wrong conclusion. The hon. member has argued throughout as if the agreement of 1914 had not been made at all and as if it were open to us to make an altogether new agreement to-day. I propose, Mr. Speaker, to prove to you, and to any reasonable man in this House, before I get through that an agreement was made in 1914 with the Canadian Northern Railway Company and that all those who had anything to do with it directly and indirectly know that it vested in this House, in the country and in the Crown, absolutely, every vestige of property belonging to the company and that we have nothing to do under that agreement with any further considerations if we follow the text as properly interpreted of the agreement we made on that day. That being absolutely the case, I submit, Sir, that the premises upon which my hon. friend from North Grey argued are defective and that his conclusions must be of the same character.

It was rather strange that the hon. member should start out to make evidence and argument for those who hold the stock. He is certainly not counsel at present for the people who hold the stock, but if I would gather anything from his argument, it is that he was making out a case for those who will eventually go before the arbitrators and say that this stock has some money, some intrinsic value in it. That was the trend and drift of his argument. The hon. gentleman gave several reasons why the road owned by this company had not paid during the past two years. He said that the war is on. Unfortunately, the war is on and we all deeply feel and regret that fact, but as far as the West is concerned, I think it will be admitted that the war, instead of decreasing prices, instead of financially crippling that country, has put prices to heights which they never before reached. It will not be said that the staple products of the West will soar up to 200 and 300 per cent more than they were before, and that at the same time the people who own the transportation facilities in that country will not be in a position to make earnings commensurate with the advance in the price of the products which they carry. That may be so, but ordinary men like myself would not think so. I do not believe that the war has been of any disadvantage to the railways of Canada, but rather the contrary.

[Mr. McKenzie.]

They have made money out of the war, more than they would have made if it had not broken out and become the sad reality that it is. I therefore submit that the argument that the war has prevented this company from making money is not well founded.

Mr. WRIGHT: Is not the great product which they handle in the West grain, for hauling which the railways have received no more since the outbreak of the war, while wages and expenses have arisen?

Mr. McKENZIE: I am not in a position to speak on that, but the ordinary course would be for the railways to charge more for the hauling of the grain when the farmers receive higher prices while the railways have to pay higher wages. The hon. member for Grey (Mr. Middlebro) was trying to make a point against this side of the House, that when the company was before Parliament asking for a loan, which turned out to be a gift or a grant to them of $45,000,000, we on this side said: No, we will not give you $45,000,000 but we will take over the property absolutely and we are willing to ascertain the value that you should get for it, that value not to exceed $30,000,000. Hon. gentlemen opposite did not accept that proposition, but gave the Canadian Northern Railway that $45,000,000. Now they pride themselves on saying that we were willing to give $30,000,000. Suppose we did give $30,000,000, would not that have been a better bargain than giving $45,000,000? If they had accepted our proposition they would have paid something less than $30,000,000, but they would have owned the property and there would have been an end to the matter. I submit that we are not subject to any criticism because we made that proposition at that time for the taking over absolutely of the property in this road.

We are also criticised because we were willing to leave it open to ascertain the value of the road up to an amount not exceeding $30,000,000. Are we in the same position to-day as we were then? Surely not. A commission was appointed by the Government, consisting of three of the most capable men they could get in Canada, Great Britain, and the United States. These men were experts in all matters relating to railways, and they had the assistance of all the engineers they required. After due consideration and investigation, that commission brought in a report in which they put certain values on the physical assets of this road, such as rolling stock, terminals, rails,

etc. But these three men, representing the wisdom of three countries, say: Whatever the value of the physical assets, the $60,000,000 of stock has absolutely no value and is worth nothing. That is the evidence before the House to-day; that is what we are dealing with, and what is the sense of men, members of this House, representing the ordinary, every-day man of this country, saying here: Oh, before the case was tried, before you heard the evidence, before the jury brought in the verdict, you were willing to do a certain thing; why do you not do it now? We say in answer, and say logically and clearly: It does not matter in the world what we said before this case was tried, before your great commission or court investigated this case. We say now that we base our position on the facts as found by that commission and those facts are that this stock has no value at all.

Mr. BURNHAM: Does the hon. member say that the statement which they made some years ago was not made upon evidence at all and that if they had had the information contained in this report they would have taken a different course?

Mr. McKENZIE: When the people of this country are dealing with the verdict of a court or of a jury they do not go through the evidence, but take the verdict as given by a competent court. This commission was a competent court. It went up and down the land and all over the road with an army of engineers and experts, all the assistance it wanted, and it got all the evidence that a competent court might require. They arrived at their decision and handed it to the Government. The Government laid their report on the Table, and it was printed and published and given to the members of the House. That is the position and if the hon. gentleman from Peterborough (Mr. Burnham) wants to adopt any procedure that is different from that, in order to ascertain the value of the railway, he must be wiser than the Government. We have the fact, in the most conclusive way, that the $60,000,000 of stock has absolutely no intrinsic value of any kind whatever. That should be the end of it, so far as this Government is concerned.

Mr. R. B. BENNETT: My learned and hon. friend will agree that the fact that Sir Henry Drayton left out the land grant values would add, at least, some little value to the stock, however little it may be. That was overlooked, as the hon. gentleman will observe. He cannot get away from that fact.

Mr. D. D. McKENZIE: I am not a second commission to try Sir Henry Drayton. My learned friend, who is the subdued, converted, proselyte of this Government—

Mr. R. B. BENNETT: Wait till you hear him.

Mr. McKENZIE: —has been sitting meekly at the foot of Gamaliel since this discussion took place, and I congratulate him on his conversion since the previous discusion on this great subject.

Mr. R. B. BENNETT: You have not heard him yet.

Mr. McKENZIE: I hope I will hear him in the same strain, and in the same mood as I did with some interest three years ago, but so far he has not shown any great anxiety to be seen around in connection with this matter. I would not, for one moment, pretend to raise my own puny voice to criticise the findings of these three great men, representing the railway wisdom of three nations. If I did, Mr. Speaker, and the hon. gentleman from Calgary came after me, I would expect to be fed to the crows.

Mr. R. B. BENNETT: You are in a good humour to-day, anyhow.

Mr. McKENZIE: I am putting this forward as the sound position which we, on this side of the House, occupy. Whilst it is true that the same old avenue and the same old back door of another commission is open to the Government, yet, so far, the evidence we have is fixed, determined and final, and until the Government appoint another royal commission to investigate Sir Henry Drayton and those who sat with him, we must accept their findings, and those findings are that the stock is of no value whatever. That should be the end of the stock question.

My observations so far have been in the direction of a reply to the hon. gentleman from North Grey (Mr. Middlebro). I did think, and I still think, that I should give some attention to what was said yesterday and last night in connection with this bargain. I approach this question, Mr. Speaker, not as a novice, but as an old lawyer, dealing with material in which the training of a lawyer comes to one's help. We have to deal with statutes and with bargains, and with the interpretation of speeches and evidence in connection with this whole matter. For that reason, Sir,

before I sit down I propose to deal, as briefly as I can, with the salient points of this transaction from 1914 down. I take it that it is logical and proper for me to take for granted that the bargain of 1914 gathers up and crystalizes all the dealings between the Government and the road up to that time, and that with that, and that only, we have to deal. But there it is an agreement reached, confirmed and solemnized by a statute of this House. Whatever took place before that we may be concerned about, but there is no use talking about it, because the conclusion was reached then, and we might as well begin there. Before I deal with that, I wish to call attention to the observations which the Prime Minister addressed to this House yesterday. He was replying to the hon. member for South Renfrew, and although the hon. member for South Renfrew is not entitled to wear a gown, and although he does not profess to be a lawyer, it was to me, at all events, a great satisfaction to hear the masterful argument that he put forward yesterday, and the masterful way in which he put the salient points of this agreement. No man in this House or in Canada better appreciates a legal argument than the Prime Minister. I would be very sorry indeed to say anything that would tend to detract from his ability as a lawyer, but he realized, as a good lawyer would, that the argument that was advanced, and the points that were arranged and marshalled before him by the hon. gentleman from South Renfrew, were unanswerable. There was no use trying to controvert that argument and so the Prime Minister devoted his talents to trying to be funny, and trying to play the role of a comedian, which a big lawyer does not often do well. The right hon. gentleman is not a comedian, and he did not make a success of his comedy yesterday in trying to draw the attention of his followers from the great question that was before the House, in order to get them to laugh and to forget what we were really dealing with. We were dealing with a question involving, according to the figures of those who looked it up, $620,000,000. To the ordinary man that is a very large amount. The ordinary man that we have to deal with among our electors finds $620,000,000 a little larger amount than he can really comprehend, but when you come to define it, and say that $620,000,000 means $77.50 for every man, woman and child in the Dominion of Canada, and that it means $387.50 for every family of five in this country, putting our population at 8,000,000 people, he may realize what it means. The hon. gentleman from North Grey placed our population at 7,500,000. For the purposes of being absolutely fair in this calculation, I put the population at 8,000,000, and that is what it figures out. That is the kind of proposition we are dealing with, and the Prime Minister should have dealt with the proposition seriously, and in a businesslike way, and should have endeavoured to answer the hon. member for South Simcoe—

Mr. GRAHAM: South Renfrew.

Mr. McKENZIE: I am sure the hon. gentleman for South Renfrew should be representing more than one county. He would do honour to any county in Ontario which he might represent.

Mr. R. B. BENNETT: Even Nova Scotia.

Mr. McKENZIE: Yes, even Nova Scotia. Perhaps it would not be out of the way to say Calgary. We could not do better than have the member for South Renfrew represent Calgary—it is in the air that the hon. gentleman who now represents that constituency is disgusted with politics—

Mr. R. B. BENNETT: There is a very considerable measure of truth in that.

Mr. McKENZIE: —and that he is disgusted with the party to which he belongs. I was dealing with the observations of the Prime Minister yesterday. The right hon. gentleman made quite a detour into ancient history. Going back to the establishment of these railway lines, he criticised severely the railway policy of the right hon. gentleman who is now leader of the Opposition. The Prime Minister should not forget—he will have reason for not forgetting it—the people's approval of the railway policy adopted in 1903 by the then Prime Minister. In that year, the policy was, in the main, put before the people in this Parliament. In 1904 the Prime Minister went to the country upon his railway policy and the then leader of the Opposition opposed it. What happened is generally known; that railway policy was almost unanimously ratified by the people from the Atlantic to the Pacific. What happened in Nova Scotia, from which province the distinguished Prime Minister comes? Every constituency in that province, by overwhelming majorities, favoured the railway policy of the then Administration. At that time the leader of the Opposition, like Noah's dove, could not find a place to rest, politically speaking, in Nova Scotia. Indeed, he was poorer than those foxes and

fowls to which reference is made in sacred history. Accordingly, he was obliged to take refuge in Ontario, where they opened the door and kindly took him in. He had no part or place in his own province, because the people were overwhelmingly in favour of the railway policy of the right hon. gentleman who now leads the Opposition. Four years afterwards the people had an opportunity of passing judgment upon the railway policy of the then Administration, but very little was said about it. I ran the election in 1904 and in 1908. In 1904 the railway question was the great issue, but in 1908 nothing was said about it, because the people accepted as the proper one the policy which had been laid down, and set themselves to work to carry it out. The Prime Minister said that when he took office he was obliged to take over certain burdens and difficulties. There were no complaints about burdens and difficulties while we were in power and while a competent government was administering the affairs of this country. We had burdens, but we had backbone, talent, and ability to bear them. The Government of to-day seems to feel keenly the weight of burdens; but it has no capacity, no backbone, or anything else which would enable them properly to bear those burdens. To-day, plenty of burdens and no backbone; when the present leader of the Opposition was in charge of affairs, some burdens, with much backbone and great ability. When we were in power we did not find it difficult to deal with these matters, but when men unequal to the task came into office—men who did not know the ropes, who did not know how to deal with the burdens imposed upon them; who did not know how to handle properly the finances of this country—the country went sadly adrift. I shall refer later to the financial conditions that prevailed when this Government came into power, as set forth by gentlemen who were members of this Government for quite a number of years. The position in which we left the country—

Mr. WILLIAM SMITH: With a broken back.

Mr. McKENZIE: Not at all. I will give my hon. friend evidence concerning the anatomy of the former Administration—evidence which he will not be able to treat lightly. I shall read part of a speech made by the Minister of Finance who, I suppose, is just as capable of handling financial matters as the member for South Ontario. I shall always, with pride, carry this speech with me. It was the first speech made by the minister in the House, and it was listened to with great interest. He was a new man in a new role of great importance. The speech was one delivered by a man of whom much was expected; the man among the millions behind the Tory Prime Minister who was selected as the only man to whom with any degree of safety the keys of the treasury could be entrusted. I suppose the Tories believed that if you trained a man early in the way he should go, when he was old he would not depart from it. The minister looked for trouble, diligently, earnestly and energetically, from the time he took office until February, 1912. Then he said: there is no use putting this thing off any longer; I might as well bring down my Budget. He found things all right. This is the closing part of a very eloquent speech:

> It will, as I have said before, be gratifying to all that the material prosperity with which we have been so highly favoured still continues to be our portion. Despite the serious vicissitudes through which the western wheat crop has passed and the unusual heat experienced in the province of Ontario during the past summer, the field crops of Canada show a bountiful yield and with the high prices prevailing for practically all its produces the great basic industry of agriculture continues in a flourishing condition. Almost every department of trade and commerce shows expansion. Our mines are wonderfully productive. Our coast fisheries, notably the Atlantic, have enjoyed a good catch and high prices. Our manufacturers are thriving and new industries are springing up throughout the whole Dominion. Railway construction—

I wish to direct this to the attention of the member for South Ontario to this further from the Minister of Finance:

> Railway construction, especially in the West, proceeds apace, preparing a way for settlement in districts not yet opened up and for trade with other markets than we now enjoy. Our increased bank deposits, clearings and circulation, the amount of public and private building evidenced in municipal and business structures, extensions to manufacturing plants and residences in almost every part of the country, all attest that the general prosperity of Canada at the present time is very great.
>
> Our Dominion continues to be the land of hope and promise to the home seeker. During the last year, as before shown, our immigration from Europe and the United States reached an average of nearly a thousand a day, bringing their capital, their intelligence and their energy to assist in the great task of developing the resources of Canada and building up her nationality. Much has been said in the past with which I am in accord as to the selection of immigration as far as possible with an eye to the quality and character of our future citizenship. Notwithstanding the large stream of immigration, labour conditions are good and extreme poverty, from any reason other than incapacity or direct misfortune, is hardly known.

Under the favourable conditions which I have described, and with every prospect for their continuance, the future of Canada looks bright indeed. In the enjoyment of peace, plenty and prosperity her energetic, loyal and patriotic people look forward with hope and expectation to an ever great and greater future.

To my hon. friend from South Ontario (Mr. Smith), I would point out that condition of the anatomy of the finances and business conditions of the country when they were placed in the hands of my worthy friend the Minister of Finance, and I would ask him if that is the condition of a country with its back broken, would it not be well for it always to have a broken back?

I am now going to depict the other side of the shield, calling the attention of hon. gentlemen opposite to it. In this case I will give the House the evidence of that Tory of Tories, Lieutenant-General Sir Sam Hughes. No one will question his fidelity to the Tory party and his desire to tell the truth about them and to put them on the highest pinnacle on which he can possibly place them. But, speaking in this House (not speaking elsewhere), on the 9th day of July, 1917, only a short time ago, he was obliged to tell the truth. His speech may be found on pages 3268 and 3269 of Hansard. He is dealing with the financial conditions as they existed three years after my hon. friends came into power, after, I suppose, they had tried to mend the back of the country. This is what he says:

I need make no apology here, or elsewhere regarding my loyalty to the business interests of Canada. When the hon. the Finance Minister had Canada on the verge of financial ruin, at the beginning of the war, my loyalty to their cause was then shown by my actions in establishing industries in Canada which resulted in placing her industries of every class on a sound financial basis; but I have never made any pretence of placing anything on a par with the soldiers in the trenches. They stand first in the heart of every honest Canadian. The Finance Minister's letter in every reference places them secondary.

Considerable interest is evidently manifesting itself on the general aspect of this case.

The rest of this speech has in it references which are rather of a personal character in a way, attacking the Minister of Finance, and I am not going to read it. The evidence, however, given here at least according to a gentleman who was for a long time a minister, and who is to-day a strong follower of the Conservative party, is that the Minister of Finance has brought the country to the verge of ruin. I have read to the House a glowing picture of the condition of this country in February, 1912, and the quotation which I have just read is from a speech delivered this year but having reference to conditions existing during the year 1914, at all events, up to the time of the breaking out of the war, because the remedy which the ex-Minister of Militia suggests for conditions then existing is to start industries in connection with the war. That was the condition in which the country was found and into which it was brought by hon. gentlemen opposite, according to the testimony delivered in this House on the responsibility of an ex-minister and member of the party now in power. I am, therefore, accepting as the truth the statement made by that hon. gentleman. Such extreme conditions as the hon. gentleman has described did not exist in the days when my right hon. friend (Sir Wilfrid Laurier) was in power, and I believe they would not have come into existence had the people thought proper to continue my right hon. leader in office.

I wish to deal as briefly as possible with the main question now before the House, that is: What shall we do in connection with this railway? There is not much doubt now as to what will be done. The Government of the day have their majority. I suppose they held a caucus on this question, and that after that they drafted this measure, and this measure is now before us with, I presume, the understanding that it will receive a majority support from the friends of the Government. Consequently, we have before us in crystallized form in this Bill what the Government purposes doing. I criticise the Government for the opportunity they are giving to the holders of the stock of the Canadian Northern Railway to give that stock a fictitious value. If it has any value at all, it should have the value it had on the date the Government received that report from Sir Henry Drayton and his associates. What do the Government do? They say in this Bill that the value of the stock is to be as of the date of an agreement to be made after this measure becomes law, after it is fixed and irrevocable that we are to take over this stock, and when the whole world knows that. Is that reasonable? If you are going to expropriate land for a railway, the value fixed by the arbitrators is not the value it may have after the railway goes through it; it is the value that it had before the railway was constructed at all, because, if it has a higher value after the railway goes through it, that is due to the railway

and not to the intrinsic value of the land itself.

They have taken the most extraordinary course of saying: "We are going to take over this property by Act of Parliament. We must have it. Messrs. Mackenzie and Mann may be worth nothing, and their property behind this stock may be worth nothing, but we are taking it over and the Dominion of Canada is now behind it." I ask the Minister of Finance and the business men on the other side of the House if that is good business. I submit that it is not. They have given this stock a fictitious value by placing themselves in the position where they are going to buy it themselves. Everybody knows that this Bill is going to pass, and I suppose now that some of this stock is being sold to establish a value. Everybody will be willing to pay a big price for it, and evidence will be established as to the value of the stock. I say it is poor business the way this thing has been handled.

But I go back to my first proposition, that there was not the slightest occasion for dealing with the company in this way at all. It may be said that I have no business to be talking about this matter, and that I am simply taking up the time of the House, as hon. gentlemen to whom millions mean nothing—evidently $600,000,000 means nothing to them—have made up their minds in the caucus that they are going to vote for this Bill, and that is the end of it. But, Sir, if any measure ever came before Parliament that deserved careful thought and consideration, it is this proposition involving the expenditure of this vast amount of money. Therefore, I make no apology for taking up a little of the time of the House in setting forth my views and quoting from the records. The carrying out of the agreement that was solemnly entered into in 1914 should be the confession of faith of every honest man in this House; it is the basic principle of the action that should be taken here. I submit that under the agreement of 1914 we absolutely own this property, and there is no need of saying another word about it. The Government cannot say that this company is not in default; they are estopped from saying that. The company must be in default under the agreement of 1914 or they would not be here, and I base my argument upon that assumption. The Government would not be presenting these proposals to Parliament if the Company had not made default. Section 21 of the Act of 1914 for giving assistance to the Canadian Northern Railway system says:

> The following shall be events of default within the meaning of this Act, viz,—
>
> (a) if the Canadian Northern shall make default in payment of the principal or interest of the guaranteed securities or any part thereof, or default in observing or performing any of the provisions of the New Trust Deed, and the security constituted by the New Trust Deed shall thereby become enforceable;
>
> (b) if while any of the guaranteed securities are outstanding the Canadian Northern or any Constituent or Subsidiary Company shall make default in the payment of the principal or interest or any part thereof, or any securities heretofore or hereafter created or issued under the existing trust deed or mortgage securing the same, or under any future trust deed securing securities having priority to the guaranteed securities, or default in observing of performing any of the terms of any such existing or future trust deed or mortgage, and the security constituted by any such trust deed or mortgage shall thereby become enforceable;
>
> (c) if, while any of the guaranteed securities are outstanding, an order be made by any court against any company in the Canadian Northern System for the appointment of a receiver or for possession, or if a receiver be otherwise appointed or possession be otherwise lawfully taken of the whole or part of the undertaking—

In the event of any one of those conditions arising, the Government could step in and take possession of the property. Section 22 says:

> Upon the happening of any event of default and at any time or times while the same shall continue, it shall be lawful for the Governor in Council after such notice to the Canadian Northern as the Governor in Council may direct, to declare to be vacant the offices of the directors of the Canadian Northern and of any of the Constituent or Subsidiary Companies which may he subject to the legislative authority of the Parliament of Canada, and to appoint a board or boards of directors in lieu thereof respectively (any former director being eligible for appointment).
>
> 2. The power of appointment herein conferred upon the Governor in Council shall be a continuous power and shall be exercisable from time to time and so often as any event of default may exist and be continuing.
>
> 23. The directors so appointed by the Governor in Council shall hold office during the pleasure of the Governor in Council, and any such director may be removed and another appointed in his place. Vacancies occurring from time to time may be filled by the Governor in Council. The said boards respectively shall have all the powers of a board of directors elected by the shareholders; and acts of the board requiring the authority and approval of the shareholders shall if authorized or approved by the Gorvernor in Council be as valid and effectual as if authorized or approved by the shareholders.
>
> 24. If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whom-

soever in the mortgaged premises to be foreclosed ,and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding.

Those are the powers which this Parliament took to itself in 1914, and I submit that they are absolute and conclusive. I am not going to read section 25, as it is rather long, but it provides for the appointment of directors—an absolute board without any representation of Mackenzie and Mann, and empowered to do the very thing that has been held up as a bugaboo by the Minister of Finance in this House. Under this Act they have power to avoid those very difficulties. The Minister of Finance frightened us the other day by saying that if we took over the physical assets and the whole material property of the road we should have to pay off the securities and should have to borrow money at six per cent to pay the interest on bonds that may run for a number of years at a very much lower rate of interest. Now, under section 25, the Government is empowered to take over those securities. The Government is authorized to take the place of Mackenzie and Mann in every way, and to continue the securities just as they are now. What is the good of the Minister of Finance or anybody else trying to frighten this House into a bad bargain by saying that we may be obliged to pay off all those securities and borrow money in the markets of the world at a high rate of interest to pay off the low rate of interest on these bonds that may run for many years to come, when, in 1914, some good man on the Government side had the prescience to incorporate in the statute a provision by which we could take over all these bonds and not disturb them in the slightest degree, but go on paying the interest on them just as the company is doing now, or would do if it had the means.

5 p.m.

I am sure that I can appeal to the business men of this House and of the country and that they will all say that they would be glad to take the credit of the Canadian people instead of that of Mackenzie and Mann or of any private individual or concern. That is what will happen under the provisions of section 25. Mackenzie and Mann go out, we take the property and the credit of Canada goes, in their place, behind those bonds. Will anybody say that those who will hold those securities—doubtful securities, many of them—will force them to foreclosure and sale if they have the backing of the Canadian people behind them? That is what has been held out to us as the bugaboo reason why we should jump at the course of action which this Government is taking. Those are the terms of the agreement that we made in 1914.

I am now going to give you an explanation of how the bargain was understood by the Government of that time, and I am going to give you the way in which my hon. friend the Solicitor General (Mr. Meighen) understod the statute. If anybody understood that statute or ought to have understood it, it was the Solicitor General. He drafted it or helped to draft it. He had the full responsibility of preparing that measure, of getting it through Council and of bringing it before this House. When it was before this House he gave an explanation of it which will be found at page 3687 of Hansard, May 13, 1914. I seriously invite the attention of hon. gentlemen in this House, and particularly of hon. gentlemen on the other side, to the language of the Solicitor General and I would ask them to say if they can find any loophole for Mackenzie and Mann, or anybody else, to come here for consideration after they had made default. He makes it as clear and distinct as the English language can make it that the moment they make default that is the end of it. He says further that everybody is made a party to this agreement who has any interest whatever in the company. All persons who hold stock in the company are, according to the Solicitor General, made parties to the agreement. The agreement is binding and conclusive and these men cannot find fault if they do not keep their part of it and we keep ours. This is what the hon. gentleman said:

Under the present Bill—

That is the Bill which is now the twentieth chapter of the Acts of 1914.

—we have a summary method of taking over the road, a summary method which in effect gives us as security the other sixty per cent of stock.

That is the 60 per cent that we were talking about buying. The Solicitor General tells us that it is under the mortgage and that we have it. He continues:

We know we have the ordinary right which any mortgagee has, and the right which any guarantor of a mortgage has, the right by subrogation of getting into the shoes of the lender and in the event of default exercising the rights of a mortgagee and taking possession of the road as a receiver; we know we have that right, but we have the additional summary remedy of proceeding by mere Act of Parliament to

take over the road as the property of the people of this country and eliminate once and for all, all other parties interested in that railway. And we have not only so arranged it that the interests of the Canadian Northern and all other persons whatsoever in the Canadian Northern system shall be eliminated, and that in the event of default all shall be the property of the Canadian people, but furthermore, the ten million dollars of stock in the townsite and the ten million dollars bonds are put into hotchpotch, although they are the property of Mackenzie and Mann, and although Mackenzie and Mann alone made investment in them, and in the event of our foreclosing and taking over the enterprise we ourselves get the whole benefit of the townsite. That summary method is given us. It is true Parliament has to act. The Government did not think it wise to in any way tie the hands of Parliament in days to come. We provide though that Parliament in days to come, should there be default, shall have in its own hands the power to put in directors of the road, and we clothe the directors so appointed with full power to sell that road to any corporation established by the Parliament of this country for the purpose of taking over the road. Or, if we choose, we can ourselves, by Act of Parliament, legislate that that road is the property of the people of this country and that the interests of all persons whatsoever outside of the people of Canada are eliminated, the idea of that is that we are at this time making the interested parties and all the stockholders, parties to this contract, and we say to them—

I wish to point out that all the parties who are interested are made parties to the statute and that, to use a vulgar expression, they will have no kick coming if they are ruled out.

The idea of that is that we are at this time making the interested parties and all stockholders parties to this contract, and we say to them: We now and here bind you that should the day of default come you shall not appeal to the Parliament of Canada on the ground of your road being confiscated in any way whatever, but you here and now leave the Parliament of this country free from any such question and untrammelled in every way to deal with the property of the Canadian Northern as it may be advised in the interests of the people of this country. That is the summary procedure outlined here for taking over the road.

I want to ask where any loophole is left in this for anybody to look for any consideration. Mackenzie and Mann had given several mortgages and entered into several obligations before which it was hoped they would redeem. They came at last to 1914 and the Government said to them: You have come often enough, you have come again, but if we are going to give you any money now there must not be any talk of foreclosure or any round-about methods of that kind; you must sign a bond, which shall be embodied in a statute, providing that if you make default the Canadian people shall be entitled to take the whole thing over. I can not conceive of any stronger language that a learned counsel like the Solicitor General could use to make it clearer or more distinct than he used in that speech. Taking his speech, with the language of the statute, and taking the circumstances of the case, can there be any question that at that time we had the right to believe that we were getting everything that this company had under the agreement of 1914 and that if they made default they could not complain if we should take over the whole thing?

Now, we find that there is to be another deal altogether. This stock has value, the Government say. The Solicitor General says in his speech and the Act says in its language that whether it has value or not it belongs to the people of this country. Whose business is it whether it has value or not? It belongs to us absolutely and conclusively. But now it turns out that this stock is in the hands of some friends of the Government influential millionaires who have taken it as security for money advanced to Mackenzie and Mann, I suppose, and now they say: Whatever else may be forfeited, do not forfeit this stock, because the money for it will go into our pockets. The hon. member for North Grey told us that the $45,000,000 we gave them went into the road. If they get the par value for this stock, how much of it will go into the road? Not one farthing; it will go into the pockets of the millionaires who now hold the stock. I object to the line of procedure in picking out this stock any more than anything else, and I object to disturbing the agreement which, taken together with the speech of the Hon. Mr. Meighen, makes it clear beyond controversy that the property belongs absolutely and conclusively to the people of Canada once the company has made default. This effort to find value in this stock, or to direct the blood currents once more into the reins of this stock and give it life, is simply for the purpose of gratifying and paying off the holders of the stock, whoever they may be.

I am not in favour of public ownership; I am against it. But if we are down to the position when we have to take over the ownership of this road, let us take it clean-cut, let us take everything in connection with it that will be of benefit and service to the people. It has been found by a court, representing, as I said, the wisdom of three nations in railway matters, that the common stock which we are taking over has no value, yet we are going to over-rule their judgment and say it has got value, and we are making an agreement under which

it will be possible for the owners of this stock to say it has more value than it ever had before. The whole course in trying to give value to this stock is absolutely wrong. It would be in every way better to refer this matter to a judge of the Exchequer Court, a man of vast experience and known skill in dealing with matters of this kind, than to refer it to three arbitrators, who may or may not be experienced in dealing with matters of this kind. In entering upon any arbitration you have, in practice, although not in theory, one-third of the court against you, and if he can persuade the other two members of the court to his way of thinking, he is able to obtain a verdict against you. It is much better to leave it in the hands of one experienced, skilled and just man than to a court of three arbitrators. If a man had to undergo a surgical operation, he would place himself in the hands of an eminent and experienced surgeon rather than in the hands of a clinic of three doctors, one of whom he knew would not desire to do anything to save his life, but would be glad to kill him if he could.

Mr. MORPHY: Did not the hon. member, in 1914, vote for a resolution moved by Sir Wilfrid Laurier, seconded by the Hon. Mr. Pugsley, advocating the principle of appointing arbitrators to fix the value which should be handed over for this very road?

Mr. McKENZIE: There are cases where a man is not doing justice to himself by saying yes or no to any question. I did vote for that proposition, but in the early part of my speeeh to-day I explained the position and circumstances, and if the hon. gentleman cares to know my attitude and position he will see my remarks in Hansard and I shall not need to go over the same ground again. In brief, I say that we were willing perhaps to pay an amount at that time not exceeding $30,000,000 for the whole thing.

But the Government at that time, instead of paying something less than $30,000,000, paid $45,000,000, and are willing to pay more now. They are taking chances on having to pay $60,000,000 more. We were willing to pay something ranging under $30,000,000. That is a very much better bargain than paying $45,000,000, and taking chances of paying $60,000,000 more. I explained that matter before, and I think the hon. gentleman understands my position. I certainly did vote for that resolution, and I have nothing to apologize for, or take back, because we did not even have the advantage of the conclusive evidence that is now before us in the report of that commission, that that stock is worth nothing. I am sure if in 1914 we had had the report of such eminent men as those three gentlemen who have gone over this matter and reported to us that this stock has no value, the hon. gentleman from St. John (Mr. Pugsley) would not have moved that resolution, and if he did he would never have got anybody on our side of the House to support it. We had not the evidence then, but we have it now.

Mr. LALOR: The hon. gentleman was in favour of the principle of arbitration.

Mr. McKENZIE: I really forget. It is three years ago. Supposing we were in favour of arbitration three years ago, as dealing with something we thought had value, it is a different proposition to-day. Now we have discovered that the subject matter of our deliberation at that time has no value at all. It is a dead horse.

Mr. SEXSMITH: Does that change the principle of arbitration any?

Mr. McKENZIE: It does not matter what my opinion is. Hon. gentlemen opposite would not follow it if they could help. We have the opinion of a court in this country appointed for the express purpose of doing this kind of work, absolutely unbiased, a third of which is not against us at the start. Even if I did ask for an arbitration, why should hon. gentlemen follow my advice, inasmuch as they voted against it before?

Hon. gentlemen opposite then thought that arbitration was wrong and they voted it down, and now we say there is only one other course open to them, namely, to go to the Exchequer Court. A year ago this spring we discussed a similar question in this House in connection with the values of railways. What did hon. gentlemen opposite do? They passed an Act of this Parliament to ascertain the value of the Quebec Central Railway. Did they appoint an arbitration? No; they selected the Exchequer Court, the very tribunal which we suggest in this instance. What is the difference between ascertaining the value of stock and railway equipment in Quebec and ascertaining the value of stock and railway equipment in the West? Why not get the benefit of the experience of that very learned court as to the value of this Canadian Northern Railway? I will point out to hon. gentlemen opposite what may be the

reason for their changed course. I have had the honour of reading the reasons for judgment of the judge of the Exchequer Court in the Quebec-Saguenay Railway valuation. I find he did not live up to the expectations of those who expected to make a carcass for the delectation of the prairie birds of the Quebec and Saguenay Railway. He did not fall into their ways of thinking. He was a clean-cut business man, and I would commend any lawyer or any layman in this House to read his decision and see the masterful way in which he dealt with that question. They will find that one item alone which he rejected consisted of a million and a quarter dollars. The Government, represented by a lawyer, said it was all right to let the million and a quarter go through, but the judge of the Exchequer Court said: It is not right; it is all wrong, and I will not allow it.

Mr. LEMIEUX: Hear, hear.

Mr. McKENZIE: A claim for a million and a quarter of money in one transaction was disallowed by the judge. If we want a man in this country to deal with a like subject, do hon. gentlemen not think it is a recommendation for him, that he should take that view in the very same sort of case? It commends itself to me, and I think it would commend itself to any ordinary man. I submit, therefore, that if we must have arbitration, we should take the very best kind of arbitration we can get, refer it to the judge of the Exchequer Court, and let him deal with this matter. I am willing to refer to any unbiased lawyer that agreement of 1914, interpreted in the light of the speeches made in explaining it to the House by the Solicitor-General, and I am convinced that any unbiased judge or lawyer will reach the conclusion that there should never be a word said about any further consideration of values in this business, and that we should take the railway over and do the best we can with it. I submit there is no reason for any consideration of the value of the stock. If it is to be considered, it is because there is some power behind the throne, holding this stock, which has some sinister influence with this Government, and which is trying to put life and value into a dead horse. We have paid enough for the road, and it should be ours. The commissioners say the property is not worth more than about $400,000,000. We are taking over with it obligations to the extent of $620,000,000, and why should we pay more? For these reasons I will vote for the amendment of the hon. gentleman (Mr. Graham) and against this Bill, if an opportunity be given me to vote against it.

Mr. W. F. MACLEAN (South York): I have listened to the remarks of the hon. gentleman from Cape Breton (Mr. McKenzie), and I do not say that I am in a position, from a legal point of view, to answer his arguments. He said that, as a member of this House, he did not believe in public ownership. I am a believer in public ownership of railways, and I intend to justify that belief, as well as I can, on this occasion. I may be, to use an old phrase, a lone pine in this House in favour of public ownership, although I do not admit even that. But though I should be, I am not ashamed to declare myself in favour of public ownership. I have been in this House a good many years, and for many years I have favoured that policy, and have advocated legislation to carry it into effect. I have addressed the people all over this country on this subject, and, as an ordinary, everyday journalist, I have discussed the question in print, and I am convinced, not only that public ownership is right and in the public interest, but that the people of all countries are already believers in it, or are rapidly becoming such. The thing that marks this century more than anything else is the progress made by the doctrine of public ownership, which has had more to do with the recovery of public rights and the promotion of public welfare than any other factor. The regeneration of Canada and other countries, after this war, will depend almost absolutely on carrying out this principle.

Public ownership is not a new thing; it prevails all over Europe. In every country in Europe, with the exception of Great Britain, they have had public ownership of railways. Germany, all-powerful in this war, has public ownership of railways and she overran Belgium, and got into France, and her allies got into Turkey, all of which was accomplished because of their organization of railways under state control, first for purposes of defence, and, second, for the development of trade and industries. Germany is all-powerful in this contest, largely because she has had public ownership of railways. The railways of France are under state control; the same may be said of Russia and of Italy. Russian trade to-day can reach the Pacific only through a national railway; the mission that went

to Russia from the United States went by a national Russian railway that had reached out to the Pacific coast through a territory where no private company would build. Australian and New Zealand have public ownership of railways; so has India, a dependency of the British Crown. Sixty or seventy years ago England made the mistake of deciding that the steel rails which up to that time had been owned by the public should not be kept as the King's highway. So great a man as Gladstone allowed to slip by the opportunity then afforded of nationalizing the railways and of retaining them as the King's highway. Rivers and canals have always been kept as the King's highways, though their administration has been changed to some extent by the interposition of private corporations. The doctrine, however, in England was that the King's highway should be public property and that principle prevailed in connection with everything but the railways. After the declaration of war the first thing that England did was to take possession of the eighteen or more private companies engaged in railway transportation; to consolidate them; to put them under the control and direction of the State. The moment that was done, a splendid service was afforded, not only in transportation connected with the army, but in the promotion of trade generally. Only yesterday I picked up a copy of that great enemy of public ownership. the Railway Age, published in New York, the editor of which came to Canada to speak as an opponent of public ownership, but in his paper last week he has an article which shows how England consolidated her railways with the distribution of coal to the great benefit of the whole country. This, then, is what happened in England since the war began; with a view to the welfare of the Empire and to the winning of the war, the railways of England were mobilized and put in a position to render the greatest possible service to the state. The war has been on for three years, and no complaint has been made in England against this nationalization of the railways. But something else happened in England: they mobilized the coal mines also. These works are now controlled absolutely by the state, for two purposes: the winning of the war, and the promotion of trade and industries. In order to get the best service at a minimum cost, it is provided that coal may be ordered through a national board, and that national board designates the mine from which the coal shall come and the railway over which it must be transported. The result is a maximum of co-operation and co-ordination between the coal mines and the railways. The handling of the coal is, as a consequence, much more economically accomplished. If you live in the north of England your coal must be obtained from the nearest mine and must be transported over the railroad that runs nearest the mine. In this way you get the cheapest, the shortest, the quickest, and, therefore, the best service. In other words, these public utilities have been pooled in the public interest and for the welfare of the state; they are not being used for the benefit of shareholders who try to get as much as they possibly can out of the enterprises in which they are interested.

Mr. BURNHAM: Is it not true that those people who oppose public ownership must necessarily oppose public control?

Mr. W. F. MACLEAN: I would think so.

Mr. KNOWLES: Is it not true that in the matter of public ownership a great deal depends upon the manner in which public affairs are administered in the country concerned? Does it necessarily follow that in Canada the administration of public utilities would be as honest or as efficient as it is in England?

Mr. W. F. MACLEAN: As a Canadian, I say yes. I am not afraid to trust the Canadian Parliament; I am not afraid to trust my fellow-men in the constituency of South York, in regard to this matter.

Mr. KNOWLES: Has the experience in connection with the Intercolonial railway brought the hon. gentleman to that conclusion?

Mr. W. F. MACLEAN: No. I am not afraid of public ownership in respect to the Intercolonial, nor do I apologize for the application of the principle to that public utility. Public ownership of the Intercolonial has been a good thing. True, it can be made better—and that it has not been better in the past hon. gentlemen on both sides may be more or less responsible for. What can be done in other countries can be done in Canada, and what is good for any other country is good for Canada. Public ownership has vindicated itself the world over. If any hon. gentlemen will show where public ownership has failed, or give reasons of its having failed, he may be able to make out a case against the adoption of that policy. But I believe in public own-

ership, though I may be almost alone in that belief; perhaps not many representatives of the people believe in public ownership.

Mr. McKENZIE: The great chief of the Conservative party, Sir John A. Macdonald, was opposed to public ownership.

Mr. W. F. MACLEAN: No, he was not; I know as much about Sir John A. Macdonald's views as my hon. friend does.

Mr. McKENZIE: He is on record as being opposed to it.

Mr. W. F. MACLEAN: Granted that he was; he lived fifty years ago; we are in the twentieth century. We are living; Sir John A. Macdonald is dead. We have to deal with this matter not from the viewpoint of what Sir John Macdonald thought fifty years ago, but from the viewpoint of the real value of public ownership to-day. Twisting and turning may have been practiced in the past—indeed, I saw a good deal of twisting and turning here to-day that rather surprised me. But I still say that the experience of nations the world over is favourable to public ownership.

I now come to the United States, which is going to be a great factor in the settlement of this war. Immediately upon war being declared by the United States, the railways of the country were mobilized, and the people who, as shareholders and bondholders, have their money in those railways to-day, would like to see that mobilization go forward still further. The United States will, I believe, embark on a policy of public ownership of railways, especially after they see that Canada has decided that public ownership is to obtain in this country. The United States have adopted a policy of public ownership of railways in Alaska, because they are constructing there a national railway to make connection with our railways in British Columbia. They have come to the conclusion that there the principle of public ownership ought to be adopted. They are mobilizing and nationalizing their railways to-day in order to handle their troops, to ship their munitions, to send supplies to their army, which is in France now, and which will be there for a long time to come. They are doing that because it is good public policy, and they are, in that respect, simply following the example of the rest of the world.

I desire to state two or three reasons why I believe in public ownership of railways. I believe in it, not because other nations have adopted that policy, but because of the advantages and economies that it brings about. Where you have a number of privately-owned roads, you have much unnecessary duplication of stations, terminals, sidings, and so on, and that means a great deal of unnecessary expense. With public ownership—and we are on the way to it now in Canada—all this unnecessary duplication ceases. In Montreal, the Canadian Northern Company has most expensive terminals, a tunnel, a station, sidings. If there was public ownership, there would be no need of that.

Mr. LEMIEUX: There are three railway stations in Montreal.

Mr. W. F. MACLEAN: My hon. friend's statement makes my argument three times as strong as I made it. You have all this waste and unnecessary expense, and you do not get the service; you do not get co-ordination, and co-operation. By public ownership you get co-ordination of the system, you do away with unnecessary duplication; you get co-operation; you have fewer terminals and sidings, and every siding is available for every citizen of the country. I know siding after siding on which you can put a freight car only by the pressure of the Board of Railway Commissioners, but with public ownership, every man will be able to use every siding and every terminal. He will form part of the ownership; the railway will be his, and he will not have to ask the permission of any railway magnate or company to use a siding. The railway will be for the service of the country.

Mr. KNOWLES: In Australia there is public ownership of railways. Does the hon. gentleman think the condition of things in Australia, where there is a multiplicity of gauges, where the same car cannot be used on different railways, is better than the system in Canada where there is one gauge?

Mr. W. F. MACLEAN: That, of course, is a great mistake.

Mr. KNOWLES: Still, the hon. gentleman says that public ownership brings about co-ordination.

Mr. W. F. MACLEAN: Yes, it does. I remember when the Grand Trunk and the Great Western had different gauges, and they had a third rail on those railways. We have an instance of that in Toronto where the street railway has what is called a bastard gauge. But when you have public ownership of railways, you can standardize everything in connection with them;

you can bring about great economies, and you can give a better service.

In America and in England, railways have been constructed by private companies, ostensibly for the purpose of giving good service, but the real object in most cases has been to make profits for the shareholders. The difference between public ownership and private ownership is that the former seeks to give service and the latter to make profits for the owners, and service and profit do not go together; they have never gone together in this country. No railway in this country has been constructed wholly with the idea of giving service; the men who operate it devote all their energies to meeting the fixed charges and earning profits for the shareholders. That is their duty. They always think of profit first and service second. With public ownership good service is the main thing to be considered, and the orders to those who administer the road should be to see how good a service they can give to the public without regard to the profits. Of course, the fixed charges in connection with the road must be provided for. Public ownership will put an end to this idea of running a railway to make magnates. We have had some of them in this country and they have had them in the United States, the Vanderbilts, the Goulds and the Hills. The late Mr. J. J. Hill gave an excellent service in the north-western states and in some portions of Canada, but he had in mind one thing more than anything else, and that was to make J. J. Hill a great railway magnate and to leave his sons great railway magnates, and the service they gave to the people was a secondary consideration.

We are not going to make any more railway magnates in this country; we are going to build the railroads by the people, for the people, and with the people's money, on the principle of giving service and not making money for any one, or making great families and consolidating wealth and putting it into the hands of the few. It will not be permitted in future to any body of men or any company or any board of directors to discriminate, as they have done in the past, against individuals or localities. The view that the welfare of the nation is of more importance than the wealth of individuals is in the direction of public ownership. That view is spreading throughout the minds of the people of this country, and go where you will in Canada, you will see that the people are in favour of public ownership. That is especially true of the West. The farmers of the West, at their conventions, and in particular, at a convention of a political party that met at Winnipeg the other day, voiced the views of the people of the West, declaring in favour of public ownership. I say, therefore, that the verdict of the people of this country is in favour of public ownership, because that is based on the principle of service and not of profit—on the principle of the welfare of all and not of the wealth of a few. They have before them the fact that public ownership has vindicated itself in Europe. Great Britain resorted to public ownership when she found herself at war. The United States resorted to it in the development of Alaska and in the mobilization of railways and in connection with the war. Japan, China, Australia, New Zealand—the whole world to-day, with the exception of England and the United States, is in favour of public ownership, and these two countries are also accepting it in a measure. We, too, are accepting it, and I thank God I am living in this year 1917 when 9,000 or 10,000 miles of railway actually pass out of private ownership into the hands of the people, and will be ultimately joined up in creating a great national system of railways owned by the people and devoted to the development and welfare of the nation, and not to the profits of individuals.

I just wish to say a word on the question of discrimination, which public ownership overcomes. Instance after instance can be found in the history of the United States where roads have discriminated against an individual or an interest—the farming interest, for instance—or even against a state. Certain places have been ruined because railway magnates of private-owned roads have discriminated against a certain town or locality, or against a certain interest. Public ownership, on the other hand, is based on the principle of no discrimination; equality of treatment for all. You cannot find a private-owned road that is not open to the charge that they have unjustly discriminated. We have created a railway commission in this country, as they have in the United States, to prevent this discrimination and unfair treatment. The other point in this connection which I wish to emphasize is this: My father often told me, when talking over political questions, that the great mistake the people made in England many years ago in connection with railways and other matters was in thinking that the least government was the best. Now the teaching of this country and of this day, with the advance of civilization

in all its complexity, is that the duty of doing something and protecting the public interest rest more and more upon the State. Therefore, with the complexities of civilization as we know it to-day, and with the questions that are now before us as to the reorganization of our country, there is nothing ahead of us but public ownership of railways in order to fully protect the welfare and the interests of the nation.

At six o'clock, the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. W. F. MACLEAN (Resuming): Mr. Speaker, the next point I want to make in favour of the public ownership of railways is that it will help to solve the problem of the motive power with which our railways are to be run. There is a great scarcity of coal in various portion of Canada. In my own province of Ontario we have no coal, and there is no coal in Quebec. There is a large store of coal in the Maritime Provinces, but you have to go pretty far west before you come to any large deposits of coal. Therefore, we are largely dependent on distant coal beds, situated in a foreign country, for the coal supply for our railways. The public ownership of railways removes one great difficulty in connection with transportation in this country, namely that if we have not the coal, we have the greatest water powers in the world, and the modern thing in railroading to-day is to get your motive power for transportation from the streams. We have rivers that will produce enough hydro-electric energy to give us an unlimited supply of motive power to operate all our railways and make us independent of the coal companies in foreign countries who ship coal to us. These water powers, if properly controlled, will provide us with motive power which will probably give Canada the finest transportation system in the world. They are largely owned and controlled by the provinces and the Dominion. It is not too late for this Parliament, by its own action and co-operation with the provinces, to declare that every water power in this country must be conserved, kept, owned and controlled by the State. If we are foolish enough to allow our water powers and rivers to pass into the control of private corporations, as the coal beds in the United States have passed into the hands of corporations, then the question of coal becomes of supreme importance to the people of Canada and to those who have charge of transportation.

There are water powers enough in Canada to draw every train and every car we shall ever have. If we nationalize the railways, which I favour, and if we nationalize our water powers, as we ought to, and use them for the solution of the transportation problem, Canada will have the best railway system in the world. So far, we have made great headway in nationalizing our water powers. In Ontario to-day the work is largely done. We have the Hydro-Electric Commission, publicly owned and controlled by the municipalities of Ontario in conjunction with the Provincial Government, and we are steadily moving in the direction of the nationalization of all these water powers and the development of power for manufacturing industries as well as for transportation. What is being done in Ontario can be done in every part of the country. What we have done with the Niagara river can be done in connection with the St. Lawrence. There is enough power on the Niagara river, and enough power can be generated on the St. Lawrence, to drive every car and every train, to run every factory and every industry, and to light all the factories and all the cities and towns and houses in the country.

Right at Cornwall, at the Long Sault, there is an immense quantity of power, and it nearly passed out of the hands of the people of Canada. It was proposed in this very Parliament, since I have been a member of it, to alienate that great water power at Cornwall and to turn it over to a company partly American and partly Canadian in its organization, which would have monopolized the power and sold it to the people and to the railways at the highest price. The railways to-day have to pay the coal owners in the United States a high price for the coal which is used as motive power to run the railways. The two Governments controlling the two sides of the river, could develop the water power on the St. Lawrence, as our Government is developing it on the Niagara, and with these two rivers alone we would have control of the motive power in Ontario and Quebec, and run every train on the Grand Trunk, the Canadian Pacific and Canadian Northern.

Then, back in the province of Quebec, they have immense, unlimited, water power which can be developed. By reason of the improved system of transmission, no trouble is experienced in sending power to

a distance of 400 or 500 miles without any great percentage of loss, and that power can be used for driving trains.

The only way to develop this water-power to the greatest public advantage is by State ownership of railways and of water-powers. In that way alone can we provide for the farmer the cheapest and best possible transportation for his products. That idea is spreading in my own province of Ontario where, largely through the development of water-powers on the Niagara river, we are moving our street cars in Toronto, Hamilton, Brantford and London by power transmitted over long distances. The Canadian Pacific has a great scheme for the development of local traffic in Ontario if it can get the power. Some of the railroads have not the capital necessary to develop power in this direction. The Canadian Pacific may have it, but the Grand Trunk has not the money necessary to develop water-powers in Ontario and on the St. Lawrence to operate its trains. Once such a system is installed we shall for all time be secure as to our motive power for the operation of our railroads. There is enough water-power in Northern Ontario, in the drainage basin that goes to Hudson bay, coupled with the power that could be developed in Southern Ontario and on the St. Lawrence and in the valleys of Quebec, to drive every train that carries grain from Winnipeg to the seaboard. Upon the great rivers in the West power can be developed, with a proper system of storage, to make our western railroads absolutely independent of coal fuel. Thus the whole country will be independent of American coal and the owners of mines in Canada.

To show how this idea of State ownership of railways and of power supply is spreading, let me quote an item I clipped the other day referring to the proposed national railroad to be built for the development of Alaska. One of the first things the United States Government did was to acquire coal beds in that country. They realized that in order to have a first-class, cheap system of transportation for Alaska they must not only build a national railroad, but must buy coal beds. The item reads:

> The commission will develop the property without delay. Sumner S. Smith, inspector for the Federal Bureau of Mines, will be in immediate charge of operations, and Geo. W. Evans, district mine engineer of the Bureau of Mines, will act as consulting engineer. Mr. Evans is now in Seattle, arranging for the purchase and shipment of the necessary machinery and equipment.
>
> The purpose of the commission in purchasing the mine is to secure an adequate supply of coal for the construction and operation of the Government railroad. This object was attainable only through the operation of the mine on a larger scale and by the installation of proper facilities. A washer for cleaning the product will be erected, and other modern equipment added to the plant, to insure the necessary tonnage and the economical handling of the output.
>
> The commission will also take steps at once to open a mine at another point.

The American nation thus finds it necessary, in building a great national road, to acquire a supply of motive power.

Mr. CURRIE: Are they going to pay the Canadian bondholders of that road, who built it?

Mr. W. F. MACLEAN: I am unable to answer that question. I know that the United States Government are building that road themselves.

Mr. CURRIE: Freezing out the Canadian bondholders.

Mr. MACLEAN: I am not speaking about the Canadian bondholders, but about the transportation problem. The United States are to-day building this great railroad, and they are getting control of coal that will supply the motive power.

When the Bill now before this House passes, the people of Canada will own sixteen thousand or seventeen thousand miles of railroad. And if we are faced with the problem of motive power, as we are to-day in Quebec and Ontario, in order to satisfactorily solve that problem we must not only own the railroads, but also control the motive power and the rivers that supply it. If we do that we shall have the best and cheapest transportation system of any country in the world. Our people see it now in Ontario, where we have a splendid system of radials, and we have already arranged for public ownership of water-powers and the control of the rivers. We are going to develop that power and transmit it throughout the province, and the same system should be extended to the whole Dominion. Privately-owned companies should not be permitted to control these water-powers, and those who believe in public ownership should endeavour now to secure the development of these water-powers for the public good so that we shall be absolutely independent for all time in respect to motive power to operate our railroads.

That is why there is a good deal of opposition to public ownership to-day—they see it coming. There is often a danger that there will be a coal famine through shortage of railway equipment, but there is no

way that I see of getting cheaper rates on railways other than by public ownership of the railways to begin with, public ownership of the waterways thereafter, and by mobolizing both together the people of Canada will have better and cheaper transportation than they ever had. Compared with other countries, it will give them the best transportation in the world.

I will give another reason why public ownership commends itself to me. A modern word in economics is "valorization," and you can, perhaps, valorize railway rates. That statement may surprise members of this House, but it does not surprise many thinking men. The great question in Canada should be what is best for the farmers. We yet do not know the possible resources of that great Peace River district. All that great western country is engaged, and will be engaged for many years, in the production of grain for the use of our own people, and for export, and one of the standing objections to settlement in the farthest west is that the freight rates are higher, that they have to pay more in Alberta to get a bushel of wheat to the seaboard than they have to pay in Manitoba, and still more than they have to pay in Ontario. The day is coming in the new order of economics, I hope, when the freight rates on a bushel of wheat to the seaboard will be valorized; that is, that in order to give equality to the producers it ought to cost no more to ship a bushel of wheat from Alberta to Pacific or the Atlantic seaboard than it costs to ship that same bushel of wheat, say, from Ontario. That is rather a far-fetched idea, and many people would not believe in it, but if you can show the people of the West that by public ownership of railways you can valorize the freight rate on a bushel of wheat so that it will be the same all over the country, then you have a great argument for public ownership. I know that this argument will be met with a great deal of objection, but the valorization of freight rates must come some day, and the country that adopts it first will give the best and fairest transportation to its people.

Mr. MORPHY: Would you apply the same argument to electric power?

Mr. W. F. MACLEAN: I do not know why you should not. The great argument against the Hydro Electric Commission in Ontario was that while the people owned that power those who lived further away from it had to use it—

Mr. HANNA: And pay bigger rates for it.

Mr. W. F. MACLEAN: I see no way of valorizing freight rates except by public ownership, so that the man who lives a long distance from the centres of population would at least have the advantage that he would not be under the disability of excessive freight rates, as compared with other localities nearer to the consuming centres. But whether we can valorize freight rates or not, I say that public ownership will give the best possible rates, and absolutely fair rates without any discrimination. You cannot attain that in any other way than by public ownership of the railways. We have made some headway in Ontario in public ownership of energy distributed for water-power. If you have public ownership of railways, you will have public ownership of express business, of telegraph business, and, perhaps, some day of the telephone system. That will do more than anything else to uplift the people all over this country. If you have public ownership of railways, telephone, telegraph, express and parcel post, the post office, and the money order system in connection with it, you can extend them all in the smallest village of Canada, and night and day, every day in the year, the people of that smallest community will have access, in one public office, where you can arrange your business, make inquiries about railways, send telegrams, arrange for parcel post and get express service. You will have all these great public utilities which ought to be for the service of the public and not for the profit of private companies, concentrated in every community, be it large or small. By this acquisition of the Canadian Northern System we get a telegraph system to-day, and that, I hope, will soon be turned over to the post office of this country, and will be expanded and extended. It will be the beginning of the naturalization of our telegraph system as they have it in every other country in Europe. Even Great Britain, although she has not nationalized railways, by reason of her experience of nationalization of telegraph and telephone, will come to a nationalization of her railways, if, for no other reason.

Public ownership of railroads will be absolutely necessary in those countries that have not it when the problem of reconstruction after the war—a problem that is even now before us—comes up for determination. The problem is now being considered in Europe: how are the countries affected by the war to be reconstructed?

To them it is an immense problem, and it will be equally vital in this country. If we mobilize our wealth—a great many gentlemen in this House have committed themselves to the principle of the mobilization of wealth, of industries, of everything that goes to make our nation strong and great—then we have to nationalize the railroads too. The best possible reconstruction cannot be secured in this country or in the United States unless the railroads are taken over. The world has to be rebuilt and reorganized after this great war, and to my mind nothing will contribute so much to speedy reconstruction and readjustment as public ownership of railroads.

Mr. MORPHY: Will the hon. gentleman apply his argument to the shipment of industrial manufactures from Ontario to the West, having in mind the lower cost of shipment from Winnipeg?

Mr. W. F. MACLEAN: That has to be worked out. I am not going into the details; I am setting forth the general principle that, in my opinion, should be adopted. It ought to be worked out so that the western farmer shall not pay a higher freight rate upon his plough than the Ontario farmer does. It may be alleged that that is visionary; I do not think that it is. I see the truth of it; I think that a great many people see it.

It has been charged against me that I am ahead of my time in some of the principles that I advocate. But I have not advocated anything this afternoon that is in advance of the times, or anything, with the single exception of the valorization of freight rates, that has not already been adopted and successfully worked out in other countries.

What shall we get if we take over the Canadian Northern Railway system? We have over 2,000 miles in the Intercolonial and over 2,000 miles in the Transcontinental. We shall get about 9,000 miles in the Canadian Northern. We shall be starting public ownership, therefore, with about 14,000 miles of railway. At the beginning you cannot line them all up under one organization. We are to keep—so I gather from the Bill—the present company organization of the Canadian Northern. But it is going to be owned by the people, and in a very short time it will be co-ordinated with the Intercolonial and the Transcontinental. The Intercolonial railway will run its cars into Toronto. Sidings will be available there for the purpose of loading and receiving freight moved between Ontario and the country served by the Intercolonial. The Intercolonial will get a new stimulus from this connection with Ontario and the West; freight will, as a matter of course, go over the Intercolonial. The Transcontinental will be worked into the system, and, with the Canadian Northern, we shall have a great system of 15,000 or 16,000 miles. Great economies can be effected. The Canadian Northern will be helped, because all the freight that goes to Toronto can go over the Canadian Northern, a government-owned road. Through this co-ordination and co-operation there will be great reduction in expenses. Of course, that will not come at the start, because of circumstances which I cannot explain here to-night.

We ought to have acquired the Grand Trunk under this measure. Now that we have the Canadian Northern, the Transcontinental, and the Intercolonial, we ought to take over the Grand Trunk. The Government have given reasons why they have not taken it over; they say that the financial commitments would be too great, having regard to present conditions. But I would be prepared to-day to support any measure for the acquiring of the Grand Trunk Railway system, because, when you get the Grand Trunk you get the real benefit of national ownership. Between Toronto and Montreal the Canadian Pacific runs three or four express trains a day. The Grand Trunk runs the same number. The Canadian Northern has two running to Ottawa; they purpose to go on to Montreal. If we had public ownership, with the co-ordination and co-operation that would result, we could reduce the number of these trains running between Montreal and Toronto, get a better service and save a lot of money. That could be done all over the country. Almost immediately there can be consolidation between the Grand Trunk in the West and the Canadian Northern. Out of Toronto every week three trains now go to the West over the Transcontinental line and three over the Canadian Northern. As soon as these two systems are linked up it will be possible to have a daily service over the better line. If you ask me what would be the national line from Halifax to Vancouver, I would say: Take the Intercolonial at Halifax, the Canadian Northern at Montreal, the Canadian Northern to Sudbury, the Canadian Northern to a place called Long Lake, near lake Nipigon, which is 25 miles from the Transcontinental; then take the Transcontinental to Winnipeg, and

the Canadian Northern from Winnipeg to Vancouver. That would give a line superior to any line operating to-day. If, some day, we get the Canadian Pacific Railway—it may come—the suggestions which I have made could be adopted in respect to it and its connections with the other lines.

As I pointed out this afternoon, by public ownership and control of the railways and mines in England, the shortest and most economical service has been secured. Public ownership will give you less haulage; it will give you the best grades for the moving of freight. There are all kinds of grades in different parts of this country that obstruct freight. Where I live, near Toronto, I am on a one per cent grade—a grade that is an obstruction to traffic for all time. That grade is called the Scarboro grade on the Grand Trunk, and the Wexford grade on the Canadian Pacific. The Canadian Northern have a grade between the two, a half per cent grade. We should get rid of all these expensive one per cent grades that are found all over the country. One of the merits of the Canadian Northern Railway system is the splendid grades that they have in many parts of the country. It has excellent grades between Toronto and Sudbury and thence to the West. It has very good grades in the West, but with public ownership those grades could be standardized and used in such a way as to give the best possible service. In sections where those good grades are to be found, an engine can haul a larger number of cars, and with public ownership you get the best grades and no money is wasted on unnecessary competition. Public ownership will ensure cheap motive power, and in every way public ownership does more than anything else I know of towards the solution of the transportation problems of this country.

Many people are opposed to public ownership. Two hon. members who spoke to-day said that they did not believe in it. Missionaries from the United States have come into my own city to tell the people that public ownership is a curse, that political corruption will bedevil it, and that it can never be worked out successfully. When men, who believe in democracy and who come from a democratic country say that they are afraid to trust the people in the operation of a railway, and that corruption will creep in, my answer is that I will look into that question very carefully. When there is corruption in a country—and there has been a good deal of corruption in one way or another in Canada—it comes mainly from public utility corporations which exert their influences in the political affairs of the country. When you remove that private ownership and have public ownership, you go a long way towards remedying the situation. As a Canadian, I have every confidence in my fellow-citizens; I do not say that they are corrupt; I am in favour of removing the source of corruption, and I believe the Canadian people are capable of owning the railroads and of handing them over to non-partisan boards to operate. When you take politics out of the administration of those roads you will get good service. We have public ownership in Ontario in connection with the distribution of power, and there is not a better example of public ownership than the Ontario Hydro-Electric Commission in its methods of administration. There is no corruption in the operation of that commission, and the people of Ontario are satisfied with its administration. If the people of Ontario are capable of handling that public service, why cannot the people of Canada carry on public ownership successfully? I have every faith in my fellow-countrymen; I believe they are competent to see that the railroads of this country are administered without corruption, and that political influence is kept out of their administration. Public ownership of railways has been carried on in different countries throughout the world. Australia, New Zealand, France, Russia and Japan have public ownership, and surely what they can do, we can do; what is good for them is good for us. I, therefore, disagree with those who say that, with public ownership, you run the danger of getting poor administration and political corruption. The post office of this country is well managed, although the criticism is made that there is some political interference in its administration. I am willing to vote at any time in favour of politics and political influence being done away with in connection with appointments in the post office. I am in favour of all appointments being made after competitive examination; and after a man has been appointed to a position in the post office, he should be permitted to rise on his merits, without any politician interfering in the matter. That system is being carried on in England and in the United States, and it is being carried on here in Canada. I do not like to hear a public man in Canada—to whatever party he may

belong—say on a public platform that the people are corrupt; that they cannot manage their own affairs, and that politics will creep into the administration of great public services such as our railways. I take no stock in such an argument. I believe that the members of this Parliament, when this railway and the railways we now have are consolidated, will evolve a method by which we shall have a businesslike and sound administration through a commission appointed by Parliament or by a responsible Government, and that the necessary legislation for protecting the public interest will be passed. If the doctrine that the people are corrupt and that we cannot get rid of political influence is true, then why does it not follow that you cannot get justice in this country from the courts? If under our present parliamentary institution you can pick out good judges who will administer law impartially, you can surely get good men who will operate the railroads in the same manner. I regret that the nation to-day has not in its service men like Lord Shaughnessy, Sir William Mackenzie, Mr. Hanna, or Sir George Bury. If the people gave any one of these men charge of a government railway, does any one mean to say that he would not operate it just as well as he operates the railway of which he has charge at the present time? These are splendid men; they are trained now to serve their shareholders, and they would be just as willing to serve the nation. When we have public ownership we shall have the pick of the best men of the country to run our railways. In a very short time we shall get the nucleus of a high-minded board of men who will be glad to devote their lives to the administration of the publicly-owned railways. We can secure them. All we want to do is to say that there shall be no interference with them. And we are gradually eliminating political interference in connection with the administration of certain public affairs. There is no political influence in connection with the administration of justice, and there is none in connection with the administration of the Hydro-Electric Commission, and they are giving good results. The people are capable of carrying on public ownership successfully, and they are able to judge as to the men who shall have control of publicly-owned services. This great system of 16,000 miles of railway that we shall have will gradually be put under one commission, and we shall soon have the Grand Trunk and later on the Canadian Pacific. When we get those railways, we shall have a great public service linked up with it and co-ordinated and consecrated to service and not to profit. That is my argument—that all these public utilities should be consecrated to service and not to profit.

Can you ever, as things are now, get a privately-owned company to extend its lines, unless it receives a bonus and a profit on construction? When there is public ownership, the telegraph lines, the telephones, the express business, and the railway lines will be extended as they are required, and fair treatment will be meted out. District after district in the Canadian West cannot get a railroad service to-day for one reason or another. A truly impartial board intrusted with the administration of our railways would see to it that railway lines were constructed where they were required, and that there was no unnecessary duplication. Is it not a shame to see the duplication that exists between Montreal and Toronto, railways paralleling each other for mile after mile? The same thing is to be seen in the West. That duplication is unnecessary.

Is it not a shame that the Grand Trunk Pacific should run so close to the Canadian Northern and the Canadian Pacific? Yet that is what we have got under private ownership. The greatest waste that was ever permitted in this country by unnecessary duplication of lines, of bridges, of officials, and all the other paraphernalia that goes with private ownership, will be got rid of under public ownership, when all the roads are brought under one organization. That may not come in a year or two, but we are making a start and the people of this country see that the thing can be done. This question is being discussed in political gatherings wherever the people see the advantage of political organization. Out in the West the grain growers and the farmers see the importance of political organization, and the importance of acquiring, through political organizations, control of all these public utilities, and to-day they are demanding that there shall be public ownership of the railways. They are sick and tired of this unnecessary duplication of lines, sick and tired of not being able to get railways where they ought to get them. They know that public ownership will prevent this unnecessary waste and get the railways where they are wanted. It is true that public ownership will not come in a day, but it is making headway, and the longest step in the direction of public ownership that has ever been taken in this country is the introduction of the measure

we are discussing here to-day. It may have its defects; holes could no doubt be bored into the arguments that all the lawyers in the House have made on both sides of this question. But I am not at all influenced by these appeals. I am only concerned with this: that no more than a fair price should be paid for what is taken over.

I have listened to the argument that it would be rather an expensive proposition. I am not going to argue to the contrary, but I say that in Sir William Meredith, the arbitrator who is to represent the Dominion, we have a man who has given the best portion of his life to public ownership in Ontario, and it is largely to his assistance and to that of the politicians associated with him that we owe the Hydro Electric movement in Ontario to-day, which some people seem to be so sore on, but of which so many of us in the province of Ontario are justly proud. I remember when public ownership first came up in the province of Ontario. I was a little identified with it myself. I remember the first resolution that was passed in favour of public ownership of the water-powers and the development of power at Niagara falls. I was one of two or three who drafted the short resolution in that direction, which we managed to get one of the private members to move at the tail-end of the session. The Conservatives happened to take it up, and the resolution was put through the House as a party measure, but not one member got up and made a speech in favour of it; the resolution just slipped through. That was the beginning of the public ownership movement in Ontario. From that day to this the people of that province have daily become more strongly in favour of public ownership. They see that by public ownership of power, for light, heat and energy, by public ownership of radial roads, and now of steam roads, they can make Ontario the greatest manufacturing province in all Canada. The nationalization of the railways, together with the other benefits that go with it—the consolidation of the express business with the telegraph, parcel post, and perhaps the money order business connected with the post office—will facilitate the development of industry and of transportation, and make this country great. You can make the provinces in the West great if you give the farmer the lowest possible freight rate, instead of following the practice of privately-owned roads of making the traffic pay the highest rate it can bear,—

9 p.m.

and this is the only rule that has guided the owners of privately-owned roads up to to-day. Public ownership will get rid of all that, and will build up our great public services both here and in the West. It will improve farming in the West and manufacturing in the East, and improve the life of the people all over the country. Public ownership is coming, and the proposals now before the House, while they may have their defects, are on the whole a move in the right direction. They are, in fact, the greatest move that has yet been made in the direction of public ownership.

I hope we shall soon follow up our taking over of the Canadian Northern by taking over the Grand Trunk, which is the necessary complement of the Canadian Northern in the West. We want feeders in the East for the Canadian Northern in the West, just as much as we want feeders in the West to bring freight down to the Atlantic seaboard. We have not got the Grand Trunk yet, but I hope we shall have it next year. I hope the proposals for giving relief to the Grand Trunk in its present emergency will ensure our getting control of the road in the public interest. Somebody may say: If you are in favour of public ownership, why don't you acquire the Canadian Pacific and take over the whole system? Some newspapers have made quite an argument out of that, contending that if we got the Canadian Pacific the problem would be much easier of solution. So it would. The Canadian Pacific revenue to-day is such that if that road were consolidated with the Canadian Northern, the Grand Trunk Pacific, and the Transcontinental, it could take care of all the fixed charges and operating expenses, give a far better service to the people, and still have a large surplus for improvements and betterments. But we cannot do that just yet; it may be harder to get the Canadian Pacific than any other road. But the Canadian Northern has come into our hands, and we shall soon get control of the Grand Trunk, and I shall never be satisfied until we do get it. We shall have a fair chance of getting the Canadian Pacific on better terms when we have a well-established system of our own. I believe the shareholders of the Canadian Pacific would be glad to be guaranteed 7 per cent on their stock if the country took over the road. When the Canadian Pacific was here as a suppliant some years ago, on four or five different occasions asking for authorization to increase its stock, I opposed it on every occasion and was laughed at in this House.

I said that if the Canadian Pacific wanted more money it should get it by the issue of 4 per cent bonds, and it could have got the money, for it is paying 10 per cent on that stock now. I said that the greatest danger in authorizing the company to increase its stock issue was that when we came to take over the road we should have $300,000,000 of capital stock to take over, on which they would want 10 per cent. I was laughed at for making that statement, but now it has come true. If we want to get the Canadian Pacific to-day and consolidate it with the other railways, using the earnings of them all—and the earnings of them all will maintain the roads if they are consolidated—we shall have to take over this great amount of stock. We are getting wise to that, and hereafter we shall exercise greater control and supervision over stock issues which railroads may make. If there is any difficulty to-day in acquiring the Canadian Pacific, which is an excellent road and would help to carry all the others, it is because we have been improvident in the past in allowing it to make the stock issues it has made. But in spite of that, we shall some day be able to take over the road and then we shall have what the people of this country want—a publicly-owned system.

I notice that the people of the Maritime Provinces do not wish to give up their publicly-owned road, for that road, the Intercolonial, has been of great service to them. I listened with a great deal of interest the other day to the argument that that road should not come under the jurisdiction of the Railway Commission. Now, if public ownership is good for the Maritime Provinces it is good enough for Ontario and the West, and we have seen that for a long while. We have helped in paying the interest on the construction of the Intercolonial, but have never objected to doing that; we are glad the road has been kept independent and the autonomy preserved. It is now to be linked up with the Transcontinental and the Canadian Northern, and in this way we are making a beginning with a great transcontinental service owned by the people of this country and passing from Victoria, on the West, through the different provinces right down to the Atlantic seaboard.

The only portion of the country, I am sorry to say, that has not the benefit of public ownership is that part of Ontario that lies west of Toronto. The Canadian Northern, at present, only goes to Toronto and runs from there northwesterly to Winnipeg. We have not public ownership of railways in Ontario. That is the reason why the present proposition, without the inclusion of the Grand Trunk Pacific, is rather a hard thing for us to justify in Ontario. But we accept it in the hope that in a short time we shall have the Grand Trunk Pacific taken into this national system. When we have that, we shall have every city and town, almost, of any account from ocean to ocean on a publicly owned railway, and we hope that these railways will be so administered for the welfare of the people that the Canadian Pacific will be wise enough, in the interest of its shareholders, to come in and join us. We shall have no trouble in getting men to administer this publicly owned railway. We can get the pick of the railway men of this country. Whoever has the administration of this new departure in connection with the Canadian Northern is bound to take the best men, and there are some good men on the Canadian Northern. Take them over and give them a free hand. Put them under a board of directors and they will give real service.

Without referring at all to political criticism, I want to recognize what the Minister of Finance (Sir Thomas White) and the Minister of Railways (Mr. Cochrane) have been doing in the direction of public ownership. The mind of the people has been moving in the direction of public ownership. You can see it. It is on the way; it is coming. We are getting 10,000 miles of road and this, joined up with the others that I have mentioned, will give us 15,000 miles. I came into this House an advocate of public ownership. I never thought I should live to see the day when it would become a reality. I have been laughed at and jeered at in the last few years when I proposed public ownership in this House, and in my own city of Toronto as well, but notwithstanding the laughs and jeers, the idea is taking firm hold of the minds of the people. They see what it can do and they are backing it up in the province of Ontario to-day. Every man in the Government of Ontario who is administering these publicly-owned services is a believer in public ownership. We have not got it here yet in Ottawa. The man who believes in public ownership is thought to be an enthusiast or a madman who should be in the asylum. The late Sir James Whitney made a great reputation for himself by his advocacy of public ownership

in connection with the Hydro-Electric power scheme. But he was at times afraid of it, and he thought that probably some of his colleagues were going too far. We remember the attitude of Sir John A. Macdonald in connection with the National Policy. He thought it was something that we should not go too fast with and he was always checking up those who advocated it. But, nevertheless, it swept the country. The principle of a National Policy in connection with the tariff swept the country then, and the question of a National Policy in connection with industry and with the nationalization of our railways is sweeping the country to-day. The people of Ontario believe in it and the people of Quebec have their own Intercolonial railway and they do not want to surrender it. I have seen assaults made on that road in this House since I have been a member of it, and plots of all kinds to turn it over—at one time to the Canadian Pacific, at another time to the Grand Trunk, and at another time to some other company. But, they have not been able to carry out those schemes. The whole trend of thought in this country is in the direction of public ownership, and it is going ahead.

There are impediments and obstructions, in the way. Some people say that they do not believe in it; that it has been a failure; that our people cannot work it out; that there will be political corruption. And yet the mind of the people of Canada is consolidating, forming, mobilizing, if I may use a modern expression, in the direction of public ownership. It is coming; it is here to-day; it is before us in this measure. With public ownership under the Hydro-Electric Commission you get good service, there is no loss, there are no unnecessary bonds that have to be protected and no dividends to pay on unnecessary issues. You find that in Ontario to-day under the public ownership of hydro-electric energy. What can be done there can be done in connection with the railways.

For these reasons I have no hesitation in saying that the measure, with any weaknesses it may have, is in the very best direction and I think the people would approve of it. As to the commission that is to fix the value, it is open to discussion as to how this should be done. Probably there ought to be a limitation of the finding, but I believe that the Government is in the way of obtaining a commission which will arrive at a fair valuation for the stock. It may not be worth a great deal. Various opinions have been expressed by members of this House as to what that value ought to be, and the parties have more or less committed themselves to it. Certainly these people have some kind of an equity in the proposition and a reasonable amount might be fixed by the board of arbitration. I think there is no doubt that with a commission composed of men like Sir William Meredith a fair price will be fixed. Then, we shall have the beginning of a great national system of railways, taking in 15,000 miles of road, and which will soon include the Grand Trunk and in a few years may include the Canadian Pacific. If we can get that we will have the best transcontinental railway that any country has. It will be publicly owned and administered. There will be no waste due to unnecessary duplication, and no unnecessary overhead charges. And at the proper time, probably after the war, a system of refunding of the whole outstanding liabilities can be worked out. Any way, we are making headway, and we are making it in the right direction. I compliment the Government on taking over the road, irrespective of whether there may be some question in connection with settling the value. It is a step in the right direction, it is for public ownership, for public service, for the welfare of the people; it is not for making wealth or profits for private individuals; it is to put the railway magnate out of existence, and it is putting before the youth of this country the splendid idea that the best thing they can do is to make a reputation in the administration of some public service and to work for the public welfare. That is a new thing to aspire to. Hitherto men like Sir William Mackenzie, Sir Donald Mann and Sir William van Horne, unfortunately, have given their best energies to the service of corporations. We still have the same kind of men in this country.

Mr. BURNHAM: Is it not true that the great argument in favour of public ownership of the Canadian Northern is the fact that private ownership has proved a complete failure?

Mr. W. F. MACLEAN: That may be. Private ownership may have built a lot of unnecessary lines, may have caused any amount of duplication; they may have come to grief owing to that fact. Public ownership would not have come to grief in the same way. Any way, the bulk of the arguments are in favour of public ownership, and I stand here to-night, for myself,

for my province, for the people I represent, for the thinking men of this country and for the farmers, to say that they are in favour of public ownership of the railroads of this country, and the sooner it comes the better it will be for the nation, for the people, and for the welfare of all.

Mr. E. M. MACDONALD (Pictou): Mr. Speaker, I do not intend to follow my hon. friend along the lines on which he has just spoken so ably and at such length. I assume that he is to be congratulated and that he should be pardoned for having claimed for himself the honour and distinction of having had his views adopted by the Government. I would not pretend to enter upon all of the lines of discussion which my hon. friend has taken up, but I may point out that there is a delightful absence all through his discussion of any such material and important matter as the question of what all these things are going to cost. My hon. friend has entirely eliminated, both from the consideration of the proposition before the House and everything he has mentioned in the course of his speech, any such thing as money. Money is a very important thing, it is a very essential thing. And now, when the credit of this country is at the lowest ebb it has ever been, with demands for commitments greater than at any time previously, we have submitted to us a proposition by which the Government undertake to commit themselves and the country to a liability which is totally unnecessary. This proposition involves the payment of at least $100,000,000 on the lines laid down by the Minister of Finance. I say that at this moment the one serious thing for the Canadian people to consider is whether or not this Government is doing right in paying out $100,000,000—or rather committing themselves to the payment of that amount—when they do not have to pay a single cent, and when all that my hon. friend (Mr. Maclean) claimed as ideal and proper could be obtained for the country by this Government simply taking advantage of their own bargain made three years ago and incorporated in a statute.

The Minister of Finance, when he presented his resolution, instead of intituling it "An Act to provide for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway Company" should have intituled it "An Act to reform the statute passed in 1914 with reference to the Canadian Northern Railway Company and to amend section 24 of that Act so as to destroy its full effect and operation." That is exactly the effect of this Bill.

[Mr. W. F. Maclean.]

I should like to ask the minister, either at the conclusion of this debate or when the Bill goes into committee, to inform the House who the real owners and pledgees of the stock of the Canadian Northern Railway are. My hon. friend has that information but has not yet given it to the House. In other words, this House and the country do not know with whom this arbitration is to be carried on. We have been discussing it as if Messrs. Mackenzie and Mann, whose names are well known throughout the country, are the people who are to get this money. I do not know if that is so. No one knows whether it is so. The other parties to the arbitration have not been disclosed to the House or to the country. I ask the minister to let us know whether Mackenzie and Mann own the five-sixths of this stock, and if they are the parties with whom this agreement is made. If not, who are the parties, and with whom has this stock been pledged, and for how much has it been pledged? It would be absurd, ridiculous, for Parliament to consider seriously the passing of a measure involving the purchase of a large quantity of stock which we do not have to purchase, involving the pledging of the credit of the country to an amount in the vicinity of $100,000,000, for the purpose of getting stock from certain people whose names are known to the Government but are not given to the House. My hon. friend should also tell us who are the owners of the one-sixth of the stock in regard to whom special provisions are made in the latter part of the Bill. This information is essential if the House is to pass upon this measure with any degree of intelligence.

My hon. friend from South York (Mr. Maclean) in his enthusiasm for government ownership, evidently has not taken the trouble to read this Bill, because if he did so he would not find a single provision how this road is to be operated after it is obtained—not a line. All we have here is authority given to the Government to purchase a certain quantity of stock from some person or persons unknown, without a line of declaration of policy as to how that railway is to be operated. The Bill might well be called "An Act to reform Chapter 20 of the statutes of 1914, and to amend the agreement and stipulations in that Act which provide for the people of Canada getting the Canadian Northern Railway and all its belongings without their costing the Canadian people a cent"—and I propose to prove that beyond the shadow of a doubt. There is but one issue before this House in regard to this measure, that is whether the

amendment of the hon. member for South Renfrew (Mr. Graham) is one which rightly states the previous law and the facts in this case. If it does, there is no justification for this measure, for the creation of a board of arbitrators or for the provisions under which the country is to be committed to a large payment of money. Are the statements in the amendment of my hon. friend true? Every one has assumed in this discussion that the Canadian Northern Railway is in default in its payments. What does that mean? In 1914, after a previous grant had been made to the Canadian Northern Railway the year before of fifteen millions, my hon. friend came to this House with a proposition that there should be loaned to the Canadian Northern the sum of $45,000,000. And there was submitted to the House for ratification an agreement which was made and entered into between the Canadian Northern Railway and Messrs. Mackenzie and Mann who were described as the contractors, and the Government of Canada. It was represented that when the country provided for its guarantee of $45,000,000, the whole railway question, so far as the Canadian Northern Railway was concerned, would be solved, and we would not be called upon for any more money.

We all remember how, when that proposal was made, the hon. member for Calgary (Mr. R. B. Bennett) attacked the proposition in the most aggresive and energetic way. My hon. friend from Kingston (Mr. Nickle), discussing the question at that time, declared that every dollar of the so-called stock of the Canadian Northern was watered stock and that the whole was not worth a cent. The energetic opposition of these gentlemen did not avail with the Government, and they proceeded to ratify that proposition and put through the arrangement. What was the attitude of hon. gentlemen on this side? I had the honour of moving, on behalf of the opposition, the six months' hoist to the whole measure. Later on, in the discussion upon the question, my hon. friend from Middlesex (Mr. Ross) moved what was a reasonable proposition—that before Canada should commit herself to any such arrangement as proposed, there should be a complete and full investigation into the affairs of the Canadian Northern. That was voted down by hon. gentlemen on the other side. Supplementary to that, the hon. member for St. John (Mr. Pugsley) proposed to amend the proposition, so that, in addition to taking over the portion of the stock which the Government were taking at that time, which was only 40 per cent of that stock, the whole stock should be taken over, and become the property of the Dominion, the matter to be determined by arbitration. That was voted down. What answer did my hon. friends opposite make in regard to that proposition of the hon. member for St. John? Every one of them went on record, the Prime Minister and all the others, to the effect that the provisions of the statute contained in sections 22, 23 and 24 were so apt, so definite and certain that, if the Canadian Northern ever were in default, automatically, under the provisions of section 24, the title to all the assets and property of the Canadian Northern could simply by this Parliament passing legislation declaring that it was done, become the property of the Canadian people without it costing them a single cent. If that statement is true, then this legislation is entirely unnecessary. Section 22 provides as follows:

> Upon the happening of any event of default, and at any time or times while the same shall continue, it shall be lawful for the Governor in Council after such notice to the Canadian Northern as the Governor in Council may direct, to declare to be vacant the offices of the directors of the Canadian Northern.

My hon. friend (Sir Thomas White) told us, when he moved this resolution, that a very important advantage in getting this stock was that we would be able to turn out the present directors and get new ones. But he forgot to inform the House on one very important point—and were it not for the hon. gentleman from South Renfrew (Mr. Graham) dealing with this question, and pointing out what the law was in 1914, the House and the country might have forgotten that the Government of Canada has greater power under the statute of 1914 than it will have under this proposed measure. In the event of default this Government can at once declare to be vacant the offices of the directors of the Canadian Northern and of any of the constituent or subsidiary companies. That power existed beyond all question. Why was it not exercised in the interests of the Canadian people? I ask the hon. Minister of Finance, or any other hon. gentleman on that side of the House, to tell me why it was not exercised last year when they gave the Canadian Northern $15,000,000 more? Why was it not exercised this year, when my hon. friend has to go to New York and pay the highest rate for money, and sell his securities at the lowest rate at which securities have been sold?

Why should my hon. friend ignore that provision, and ask the Canadian people and this Parliament to provide for the payment of money when they need not do so? Section 23 provides:

> The directors so appointed by the Governor in Council shall hold office during the pleasure of the Governor in Council, and any such director may be removed and another appointed in his place. Vacancies occurring from time to time may be filled by the Governor in Council.

My hon. friend from South York could have sung his pæans of joy just as well without cost to the country, if the powers conferred upon us by chapter 20 of 1914 were exercised. But further let me call attention to section 24, which has been read to the House. The marginal note, epitomizing what the effect of the section was, reads as follows:

> Equity of redemption foreclosed on default and vested in His Majesty.

The section provides that, on default, the equity of redemption in the Canadian Northern Railway is automatically foreclosed by order of this Parliament and becomes vested in His Majesty. That is the law. I venture to say that no hon. gentleman in this House who has any regard for his status as a lawyer will venture to declare that, under the provisions of section 24, ample power of the most radical kind was not conferred on the Government by which automatically, and simply by resolution of Parliament, the whole property of the Canadian Northern would become vested in the Canadian people, without costing them a single cent. That that was the meaning of the law hon. gentlemen have shown by some of the statements made by various hon. gentlemen at that time. In the light of the rather casuistic argument made by the Prime Minister (Sir Robert Borden), I want to refer particularly to what he said that clause meant in 1914. I quote from page 3674 of Hansard:

> It is also provided by clause 24 that, if authorized by the Parliament of Canada, the Governor in Council may, in case of default, declare that the interest of Mackenzie and Mann in the Canadian Northern Railway system is absolutely barred and foreclosed, and that all the properties and assets thereof, subject to any outstanding obligation, shall thereupon vest in the Crown, in the right of the people of Canada.

Either that meant what the right hon. gentleman said it meant, and what every hon. gentleman who reads it knows it meant, or it did not. If it meant what the Premier said at that time, then the Minister of Finance knows, as does every hon. gentleman that this legislation is totally and absolutely unnecessary, and it is intended to divert from the treasury of Canada at least $100,000,000 which ought to be there in this time of stress and war. My hon. friend from Calgary ventured to question the effect of that, and in an able speech which he delivered at that time this is what he said about it:

> They talk about the slow machinery of the courts, but look at this: "That if authorized by the Parliament of Canada," you have to come back to Parliament to foreclose. To foreclose what? About $60,000,000 of stock outstanding in the hands of Mackenzie and Mann. Our $40,000,000 is there too, and the $25,000,000 of convertible securities which may not be converted, are there also. We are going to foreclose our interest, but we have to come back to Parliament to do it. Mr. Speaker, those loyal devoted Canadians who believe that democracy's mission is not fulfilled, and that popular government is upon trial, know what that means—a long protracted lobby as to how much we are going to pay to get rid of Mackenzie and Mann.

Now, what was going to happen? We have not had the lobby with members of Parliament, but there has been some influence working from the owners of that stock, whom the people of Canada do not know, upon this Government, as the result of which they have been induced to forego the effect of section 24 of this Act, and to bring down this measure, taking from the treasury of Canada $100,000,000 which ought to be left there.

What did the Minister of Finance say in reply to the member for Calgary when he raised that very question? The minister pointed out the ridiculousness of dealing with the stock of the company. I need not delay the House by setting forth the long argument made by my hon. friend to show that the stock was no good. He said that we were getting a better thing—the assets—something that really belonged to the company. He went on to say:

> If I have a mortgage on a company's undertaking I do not care very much for the stock as security except that it is advisable to have the stock in order that I can take possession of the company, put in my own receiver, and operate the company with my own board of directors. That is the only advantage. The stock does not give any higher security, but it makes the realization of the security a little more convenient. What security have we? I have seen a good deal of financing in my time, and I know something of law although my hon. friend from Pictou (Mr. Macdonald) does not think so, and I want to say this: I have never seen as effectual a means of entering into possession of a property upon which a mortgage is held as has been devised by the Solicitor General in connection with this transaction.

An hon. MEMBER: Who said that?

Mr. MACDONALD: The Minister of Finance, speaking in the House on May 18, 1914, after the member for Calgary had spoken. He said further:

> I take off my hat to the Solicitor General for the way in which he has performed the legal work in connection with this transaction. . . .
> I was dealing with the question of remedy upon default, and was pointing out that we have a much better control than would be afforded by the security of a majority or all the stock of the Canadian Northern.

Although he wants to commit the Canadian people to-day to the paying of $100,000,000 for the purchase of $60,000,000 of par value stock of the Canadian Northern, he said two or three years ago that he then had a better security than could be afforded by the security of a majority of or all the stock of the Canadian Northern.

Sir THOMAS WHITE: I do not follow my hon. friend in his reference to the $100,000,000.

Mr. MACDONALD: In introducing the Bill and in moving its second reading, my hon. friend elaborated the theory that the board of arbitration to be constituted would not be confined to determining the present value of the stock; that they could take into consideration the prospective value also. He indicated that he objected to the judge of the Exchequer Court dealing with this matter, suggesting that Judge Cassels was not as competent as Sir William Meredith. My hon. friend has forgotten what he said. He will permit me to call his attention to what he said on that point:

> My hon. friend says: Why not refer the matter to the Exchequer Court? If I used the same argument as my hon. friend I might ask what experience has the judge of the Exchequer Court had in practical railway matters? Judges are men who acquire an immense amount of information in connection with their judicial duties. Apart from that, evidence will be submitted to these arbitrators by the Dominion Government and by the owners and pledgees of the stock.

My hon. friend intimated that the judge of the Exchequer Court did not have any special qualifications for dealing with questions of valuation.

Sir THOMAS WHITE: My hon. friend will pardon me; I do not wish him to misquote me on a matter of that kind.

Mr. MACDONALD: I quoted what my hon. friend said.

Sir THOMAS WHITE: The hon. member for Wright (Mr. Devlin) asked me what special qualifications Sir William Meredith had for the position of arbitrator. I said that he had had long judicial experience; that he had been in high standing as counsel; that he was eminently qualified for the position. I stated further that if the argument was to prevail that a judge was not qualified—which I did not admit—it would apply also to the judge of the Exchequer Court. I am the first to admit that any judge, whether of the Exchequer Court or of the High Court of Justice, would be a suitable arbitrator in this case.

Mr. MACDONALD: My hon. friend put it in interrogative form; he wanted to know from the House what experience the Judge of the Exchequer Court had had in practical railway matters that would fit him for the performance of this task. I mention that to point out that the Judge of the Exchequer Court is far better qualified than Sir William Meredith to act in this matter.

Sir THOMAS WHITE: I instituted no comparison.

Mr. MACDONALD: I am instituting a comparison. I am pointing out that my hon. friend was wrong when he put these two gentlemen on a parity. Every man who has had any practice in the Exchequer Court knows that the senior judge of the Exchequer Court, during his years of experience, has passed upon the value of property of various kinds, railway property included, in connection with cases that have come before him for determination. The rules that obtain in determining the methods of appraising values are the rules that have been laid down by the Exchequer Court. An hon. gentleman mentions the fact that the matter of the Quebec and Saguenay was referred to Judge Cassels. However, I do not want to stray too far from my argument. With all due deference to Sir William Meredith, those of us who have come from other provinces can speak rather freely in regard to him. In view of the statement made by a minister of the Crown in regard to judges sitting upon commissions, we should not forget that Sir William Meredith has been engaged in all kinds of commissions. Moreover, he seems to be the favoured associate of the Ontario Government, as well as of this Administration. Nor do we forget that during the sitting of a certain commission last year, Sir William Meredith took one course with regard to compensation and the other judge took another. Although my hon. friend puts Sir William Meredith on a parity with Judge Cassels, in the estimation of the Bar of this country they are not on a parity.

The one is a man whose daily occupation has been that of determining the fair valuation of property of all kinds; the other is not. If any criticism is to be made in regard to the employment of judges upon commissions, that criticism can be directed with the greatest possible force against the gentleman whom my hon. friend puts forward as being, par excellence, the one who should deal with this matter.

In answering the member for Calgary, my hon. friend (Sir Thomas White) said:

Upon default, the Order in Council at once becomes a rule of court, and is absolutely beyond question so far as its authority is concerned. We can displace the board of directors of any or all of the companies by directors of our own choice, who are given power to carry on the road as provided in the resolutions, and it is open to the Government through Parliament to deal with that road by way of sale or otherwise, as may be expedient and in the public interests.

My hon. friend declared that there was nothing in the suggestion of the member for Calgary that there might be some question about that mode of foreclosure. He expressed his admiration for the Solicitor General, who had introduced a clause that would have such a wonderful effect. Such a provision was better, he said, than if the Government had the whole of the stock of the company. Nothing further needed to be done to complete the transaction, except that Parliament should act upon the intimation of the Government whenever default occurred.

The Solicitor General (Mr. Meighen), who was quoted by my hon. friend from North Cape Breton (Mr. McKenzie) this afternoon, spoke along practically the same lines. We have, therefore, the Prime Minister, the Minister of Finance and the Solicitor General, all declaring that beyond the shadow of a doubt section 24 of the statutes of 1914 was so definite and positive in its character that all that was needed to be done in case of default was to pass an Act and automatically everything in connection with the Canadian Northern passed into the hands of the people of Canada, without any arbitration at all. My hon. friend's speech upon that point was so emphatic that my hon. friend from West Peterborough (Mr. Burnham) was carried away completely. He spoke after the Minister of Finance, and for the edification of the House, I will read the remarks he made. He said:

I venture to say that if Mackenzie and Mann and the Canadian Northern come back here next year seeking anything further, if they are not given the foreclosure—

This wonderful weapon of the Minister of Finance.

[Mr. Macdonald.]

—but are given any further assistance, there will be not a riot but a revolution in this country.

Sir THOMAS WHITE: There has been a war since then.

Mr. MACDONALD: My hon. friend sees what his change of front has produced.

Sir THOMAS WHITE: It was the Kaiser.

Mr. MACDONALD: My hon. friend does not require to shelter behind the Kaiser. He must admit he is up against the fact that automatic foreclosure, after direction of this Parliament on default of the company, would give to the Canadian people the title to this railway and all that belongs to it without costing Canada one cent. The minister need not shake his head. He need not make any specious argument to-day about the matter. He told us that the Solicitor General had performed a wonderful feat in creating this section and producing that result—and in the belief that that would be the result, his friends behind him supported him, in spite of what was stated by my hon. friend from Calgary (Mr. Bennett) on the best of authority——

Sir THOMAS WHITE: What does the clause mean, "upon such terms as Parliament may prescribe," in the section which my hon. friend has just read? Why was that put in, if not because the equity of redemption must be considered?

Mr. MACDONALD: It was put in because Parliament would have to be satisfied that there was default, and they could then decide that the road should be foreclosed.

Sir THOMAS WHITE: Why was the phrase "upon such terms" inserted?

Mr. MACDONALD: That is in regard to the sale or otherwise. It was open to Parliament to hand the road over to some other railway. The discretion of Parliament was not fettered in any way; Parliament could impose any terms or conditions in regard to the whole thing. The minister cannot escape from the position he took at that time, when he emphatically declared to the House that, when Parliament spoke, everything was wiped out. That is the position of the Prime Minister, of the Solicitor General, of all hon. gentlemen opposite who discussed the legal phase of the question.

There is another phase of this matter. There appears in the Schedule of the Act an agreement entered into between Mackenzie, Mann and Company, Limited, Sir William Mackenzie and Sir Donald Mann and His

Majesty the King, under which certain covenants were made by Sir William Mackenzie and Sir Donald Mann as contractors. This is one of the covenants:

> That the contractors will not at any time make or seek to enforce any claim for contractors' profits, commissions or otherwise against the Canadian Northern, or against any of the constituent or subsidiary companies upon or in respect of any express or implied contract, understanding, agreement, or stipulation of any kind, heretofore or hereafter made, whereby or whereunder they, or any one or more of them, may now or hereafter be entitled to receive from the Canadian Northern, or from any of the constituent or subsidiary companies any construction profits, in respect of work heretofore undertaken, or as consideration for transfers of properties, rights or franchises, already transferred, or to be transferred under sub-clauses (a) and (b) of this clause, or for commission or remuneration for services in financing, or for any other services heretofore rendered, and all such claims are hereby by them and each of them absolutely renounced and released.

The importance of that release on the part of Messrs. Mackenzie and Mann, made jointly and severally, must be remembered at this time in the light of the fact that so far the Government have not told us who are the owners or pledgees of this stock. When the Government have given that information to the House, and stated whether those gentlemen are the owners who, in 1914, absolutely released all their claims of any kind whatever—in addition to which the abolition of their equity of redemption by this Parliament is provided for by section 24 of the statute of 1914—then we can discuss, as we shall at greater length in committee, what the full significance of section 24 is.

Mr. R. B. BENNETT: It is perfectly obvious, I think, from the statute that, in view of what was said in 1914, Mackenzie and Mann and Mackenzie, Mann and Company, Limited, were the owners of this stock, and anybody who takes it, whether by pledge or contract, must have taken it subject to those covenants, and, therefore, they are in no better case than are Mackenzie and Mann.

Mr. MACDONALD: I was simply deferring any comment in regard to that until we were able to obtain from the Government definite information as to who are the owners of the stock. At that time Mackenzie and Mann were the owners of the stock. They disposed of forty per cent of the stock to the Government. They made the bargain for the transfer of it. If the stock is not now in their hands, the parties who hold the stock now are subject to the same conditions as those to which Mackenzie and Mann are subject and have no more rights than they had. Hon. gentlemen opposite fail to appreciate the full significance of the point I make in regard to this matter, and the result and effect of the legislation of 1914, which, in plain words, is this—that when the Canadian Northern Railway, being in default, as it is conceded they are in default, come to Parliament, Parliament can pass a statute declaring that the equity of redemption in all the property franchises and rights of the Canadian Northern Railway Company and of all their subsidary companies is absolutely debarred and forever foreclosed and become forfeit to the Crown. There is no manner of doubt about that. The Minister of Finance declared in 1914 that the Government had a better remedy than they would have if they owned the whole of the stock.

In the light of that, what do the Government do to-day? They say to Parliament: Although that is a fact, yet because the words "upon such terms and conditions, if any" are in the statute, although we said in 1914 that they did not mean anything, and that they did not affect the right of Parliament to bar the equity of redemption, yet the door is left open. And the door being left open, the lobby of which my hon. friend from Calgary (Mr. R. B. Bennett) has spoken, has taken place—not with hon. members in this House, but with the Government. Mackenzie and Mann have succeeded in getting the Government to introduce this legislation under which the country is committed to an arbitration with the owners and pledgees of the stock, the effect of which arbitration, according to the statement by the Minister of Finance as to the lines upon which it should be conducted, will, in my judgment, cost this country a hundred million dollars. I say, therefore, that this legislation is absolutely unnecessary. It is a crime, under existing conditions, during the war, when taxation is being levied on sources that have never been touched before, to ask this Parliament to create new conditions amending the solemn compact entered into in 1914 and declared to be the last and final contract, opening the door to arbitration, wide in its extent and ramifications, which will commit this country to the payment of such a huge amount.

What apology is made for it? The Prime Minister took the very curious ground that the Drayton-Acworth report was not to be

considered, because, he said, they had no authority to make an investigation as to the value of the property. I was dumbfounded to hear him make that statement. Even supposing the Order in Council appointing these gentlemen did not contain that authority, there is not a man in this House but knows that the commission could not make an investigation on which they might base a report that would be of any value to this House and country unless they procured some data in regard to the value of the property involved. That was the very essence of the whole inquiry. The reference expressly states that the commission were to make full inquiry as to the status of each of the three transcontinental railway systems. Now could any commission make an inquiry into the status of the Canadian Northern Railway Company that would be worthy of the slightest possible consideration by this Parliament without ascertaining whether or not the assets of the company had a value equal to the liabilities? How else could you determine the status of the company? In addition to that, the commissioners were directed to have special reference to "capitalization, fixed charges and net earnings . . . and generally speaking, all matters which the members of the board may consider pertinent or relevant to the general scope of the inquiry." That was the power conferred upon the commission by the Order in Council, and I think the Prime Minister was drawing greatly upon our credulity when he ventured to ask this House to believe that we should not attach full weight to the statements of the Drayton-Acworth report in regard to value, as they were not authorized to inquire into that matter. I was astounded also at the attitude of the Minister of Finance who never mentioned this matter in speaking to the resolution or on the first reading of the Bill, but told us on the second reading that on looking over Professor Swain's report, he discovered that Messrs. Drayton and Acworth had omitted in their report some items in regard to assets and liabilities. With all deference, I would say that the House and the country ought to hear from the commissioners, Messrs. Drayton, Acworth and Smith as to whether or not the items that were omitted would seriously affect the value of property. I think we are entitled to know whether they agree with the view that their report is incorrect and misleading in that respect, and whether this House and the country should not therefore have

[Mr. Macdonald.]

regard to their recommendations as to the value of the property.

The commission discussed seriatim the various bases that might be considered. They say:

> A purchaser would not consider either original cost or reproduction cost as of much importance. The price he would pay would be based on earning power, present and potential. On this basis he would consider how far the Canadian Northern is at present short of covering its fixed charges, how long it will take to reach equilibrium, how much new capital will have to be spent, how soon a dividend may be expected and at what rate. Calculating on this basis, in the light of the figures set out above it is evident that no purchaser would offer for the property a sum amounting to the total of its liabilities.

In other words, the commissioners, disregarding altogether the question of the physical value, say that no purchaser of the railway would pay except upon the basis of the road's earning power, present or potential. They say further:

> We conclude, therefore, that the shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern. If, then, the people of Canada have already found, or assumed responsibility for, the bulk of the capital; if they must needs find what further capital is required; and if they must make up for some years to come considerable deficits in net earnings, it seems logically to follow that the people of Canada should assume control of the property.

The ground upon which these gentlemen suggest arbitration was not that there was any potential value in the road. They said: These people who were originally connected with the Canadian Northern have done a lot of work and you might take into consideration the question of giving them something ex misericordia. As far as paying the stockholders for the value of the road, the commissioners say that there was no value to be paid for.

Now where do we stand? We have the statute of 1914. We have the declarations of the Prime Minister, the Minister of Finance, and the Solicitor General, that that statute provided for this Government taking over the equity of redemption in the property automatically—there would be no question of confiscation. As the hon. member for St. Antoine said in discussing the efficacy of this provision, "the axe would drop." Now why does not the "axe" "drop"? We have in addition to that, the report of Messrs. Drayton and Acworth, who declared there is nothing to arbitrate about, apart entirely from the question as to the right of Parliament to deal with

this matter under the equity of redemption. Notwithstanding that, my hon. friend provides for the constitution of this tribunal. And he quoted from Professor Swain's report which dealt academically with questions of value, and said that these were elements which it would be proper for the arbitrators to take into consideration in determining the value. Further on he said:

10 p.m.

> They will not be bound to the same extent, under the language of this legislation, by the hard and fast rules of evidence, but can proceed expeditiously to the determination of the question of what is the fair value of the stock of the Canadian Northern Railway Company.

It is simply another case of a commission on a commission. The history of this Government in dealing with all matters of public responsibility is simply being repeated. Instead of taking the initiative, instead of the Government dealing with the problems that come before them with force and courage, a commission is appointed, and if it makes a report that does not suit them, they appoint another commission to investigate the commission. And so, in spite of the statute, in spite of their statements, and in spite of the Drayton-Acworth report, we are to have a new commission which is not to be bound by rules of evidence, and which can decide as it pleases. There is to be an appeal to the Supreme Court of Canada from the Board of Arbitration on questions both of law and of fact. I would submit this question: How is the Supreme Court of Canada to be permitted to set aside the findings of a board of arbitrators who are not to be bound by the laws of evidence in coming to conclusions? How is the Supreme Court of Canada to determine whether or not the findings of the arbitrators in the first instance is one that can be sustained? The arbitrators would be able to say in regard to the admissibility of evidence here, and its exclusion there, "We were not bound by the rules of evidence and could listen to anything we wanted to." Of what use is an appeal made under those conditions?

Our situation is this: This Government, notwithstanding our financial position, notwithstanding all the commitments of this country in connection with the war, coolly comes to this Parliament and to the Canadian people and proposes to open the door, which was closed by themselves. The Minister of Finance initiates this proceeding and, to some people whom we do not know, says: I will give you an arbitration which will not be bound by the rules of evidence. And he puts this burden on the Canadian people in the face of the conditions I have shown. I believe that when the people of Canada know the full effect of this measure—and I trust they will learn it—they will realize that the proposition of my hon. friend from South Renfrew (Mr. Graham) is one worthy of their support. We, on this side of the House, would be recreant to our duty to the people if we did not insist upon its being presented to this Parliament. Every hon. gentleman who has the best interests of Canada at heart will support that proposition when the vote comes.

Mr. FRANCIS N. McCREA (Sherbrooke): Mr. Speaker, the question that is now engaging the attention of the House appears to me to be one of very great importance. It is a question that requires more information than we have to enable us to deal with it properly. A question involving some $620,000,000 appears to be treated by the Government about as I, when a boy at school would trade jack knives with a companion. They do not seem to think it is serious enough to give the people the necessary information. Local and federal governments combined, representing the people of Canada, have contributed to the construction of this road, and what the obligations are that we are now supposed to assume in addition to the money already advanced is something that it would be interesting to know. It appears to me that it would require a very complete and thorough accounting to show what we have already expended, what we are expected to expend further, and what we are going to get for it. If my information is right, we are not getting all the terminals and everything else connected with the Canadian Northern. The model city, the tunnel through Montreal mountain and the terminals on Dorchester street, I understand are not included.

Mr. R. B. BENNETT: The terminals are included.

Mr. McCREA: Two years ago the Canadian Northern ran a special train from Quebec to Vancouver and invited all the members, senators and others to join in the excursion for the purpose of examining the road and the country. I considered it my duty to myself and to the country to take that trip, not for my own pleasure, but for the information I might get out of it. I am bound to say, the Canadian Northern is a well built road with extremely easy grades and good curves. But I am also bound to say that whoever are responsible for two transcontinental railways being

built, east of Port Arthur and west of Edmonton, were very much lacking in judgment. It is not to their credit. Whilst the road was well constructed, and with very easy grades, for the life of me I cannot see where the traffic is coming from to maintain three transcontinental railways in this country for some time to come. I think that the promoters of this road, Mackenzie and Mann, were too bright and too intelligent to have constructed a road paralleling two other roads in the hope that it was going to be a paying proposition. If the effort of Mackenzie and Mann had been confined to the prairie country, and if one transcontinental railway had been built in addition to the Canadian Pacific, I think there would have been business for two. But I do not think there is business for three. However, the three roads are built and the question is now: what is to be done with them? The Canadian Northern Railway company came to this Parliament on three different occasions since 1911. On the first occasion they got $7,000,000, the next time $15,000,000, and the next time $45,000,000. The understanding was when they got the last assistance, or guarantee, of bonds to the extent of $45,000,000, that that would be sufficient and that they would never come back. They were to be satisfied for the rest of their lives and were to carry on the road. I was talking with some representatives of Mackenzie and Mann and they still say that they are prepared to carry on the road, and that this Government are doing them a great injustice in taking it over. I do not know whether they are sincere when the say that. I doubt it myself.

We have reached a point where the Canadian Northern Railway Company cannot finance the road themselves and where they must have more money. It is proposed that instead of taking over the system under legislation passed in 1914, there shall be submitted to arbitration the question of the value of stock that has no value and never cost anything. It is water, and water is pretty cheap. I do not believe the system is right. The people believe that the country has put all the money into the road that it is worth. We have the report of gentlemen who were appointed to inquire into the matter that the road is not worth the amount of money that the country has spent on it. It has been stated on both sides of the House that all the money voted by the Governments of Canada has not gone into the construction of the road, but has, in many cases, been diverted. The gentlemen who constructed the Canadian Northern own a fishing outfit on the Pacific coast, coal mines, copper mines, and other things. Where did the money come from that went into these things outside the railway?

I am not here to accuse those gentlemen of dishonesty. I have great admiration for any men who have the energy and ability that Messrs. Mackenzie and Mann have shown in the construction of this road and other things. But I am not terribly taken with all their methods of doing this business. I think that when any man or corporation or company goes to the Government of this country, either local or federal, and seeks aid, if that aid is granted the Government should see to it, and the applicants should be in honour bound to see to it, that every dollar voted is put into the road and not diverted to other uses.

The question before us is what the road will cost the country and what the country is getting for its money. There is not a man on the other side of the House who will not say that the country has spent as much money as it is worth. The wise and proper way to deal with it is to allow it to go into the hands of a receiver, and then, if there is any value in the stock, let the men who hold the stock get their value after the Government have got part of their money back. Outside of the stock there is about $100,000,000 of outstanding liabilities which this country will be expected to become responsible for when they take this road over. I ask any fair-minded man if it is reasonable for this Government to legislate for the people of Canada to become responsible for debts owed by this road, when the promoters of the road have already got more money from the Government than the road is worth. If a banker had loaned to a man or a combination of men all the money the banker was justified in letting them have, and if the banker then found that the assets of that man or company were not worth the money already advanced, would the bank undertake to pay the stockholders for their common stock, practically all water, and, furthermore, would they undertake to pay the oustanding liabilities of the borrower? No banker would act in that way. Yet, that is just what the Government are doing. Although they have advanced all the money that this road is worth or ever cost, they are prepared to arbitrate the value of its stock, which, it is a pretty well-known fact, has never cost anything.

It is said by the Government that if we were to allow the road to go into the hands

of a receiver it would be detrimental to the credit of Canada. I do not know why that should affect the taxpayers of Canada so much. This would not be the first road on this continent to go into the hands of a receiver. There is scarcely one of them that has not gone into the hands of a receiver at some time, and if the present owners of this one, the promoters, are unable to carry it on and cannot find financial means to carry it on, I do not see why, especially at this particular time when the people are being taxed and doubly taxed to carry on the war and to meet other expenses, they should be asked to contribute further to the carrying on of a railroad that cannot pay its own way. The financial statement prepared by Messrs. Mackenzie and Mann, whether it is correct or not, shows that their earnings are more than sufficient to pay their running expenses, but they claim that there is not enough to purchase the necessary rolling stock and equipment and at the same time do the necessary repairs. Let me tell the minister that if he had millions of dollars to spend for rolling stock, he could not get it just now anywhere, and at this time of storm and stress, when the Government has difficulty in raising the necessary money to meet its obligations, I do not see any logical or sound reason why we should be asked to take over a road and to arbitrate the value of its stock. It is admitted by this report that the stock has no value. The very fact of the Government consenting to arbitrate for that stock is an admission that it has a value. They invite a value in the face of a report made by competent men who say there is no value. The Government say: We shall arbitrate and find out. The moment you admit that you will arbitrate, you admit there is a value.

As to public ownership, I do not quite agree with the hon. member for South York (Mr. Maclean), and I think the experience of this country will go to show that it is useless to tell what foreign countries are doing. The experience of this country shows that government ownership of railways is not very desirable. The Government own a road that should be a good road and a paying one, and it would pay a good rate of profit if it were handled on business principles. If the Minister of Railways had the right to handle the road unmolested and not interfered with, and if he handled it on business principles, it would be a paying investment and he would have much less trouble. But when members of Parliament can tell him whom he should employ and whom he should discharge, when appointments are made through members of this House who want to get jobs for their friends, it is impossible to secure economical operation. If the Minister of Railways were asked he would say that he had more trouble from political interference than he has with the legitimate operation of his roads—and I do not imagine that the taking over of the Canadian Northern Railway will detract from his troubles in that respect. If such roads as the Government control could be placed under a commission, not of politicians, but of gentlemen appointed for their ability, who would be held responsible for the good management of the road, it would be possible to make that road pay, and to operate it as it should be operated—but there will have to be a very material change from anything that has taken place in the past.

But I do not understand how this Government are going to get away from the legislation passed in 1914, which appears to be plain and explicit. The terms specify just what is to be done in case of default, which has now taken place. I cannot see any reason for the legislation in the interest of the people of Canada, and that is what we are supposed to be here for—the Government is not supposed to be legislating for personal ends or for their friends. I want to say there is not a man in this House or in Canada who can sit down and calmly read over this legislation passed in 1914 and get away from the fact that we have no right to arbitrate or anything else, but only to take over this road according to the terms of the agreement if default has been made. I notice the minister questions one of the articles in connection with taking over this road. Though he made it very plain in 1914, not only in the Act, but in the explanation to the House, now he appears to put an interpretation on it entirely different from his previous statement. I should like to know whether the minister was trying to deceive the people of this country in 1914, or whether he is trying to deceive them now. It must be either one or the other. I am absolutely opposed to government ownership of anything handled as the present railway system of Canada is handled, and I am also absolutely opposed either to arbitration, or to reference to the exchequer Counrt to put any value on this stock. It has no value, and if the people who hold consider the stock has any value let them pay off the Government and they will own the road and the stock both.

It is not up to the Government of Canada, who have advanced the cash and taken proper security, to throw aside their security and take care of the people who are not secured. There appears to be about $100,000,000 of outstanding liability, but the creditors of this road did not have any guarantee from the Government of this country that they would be protected; neither did the stockholders. They have taken the common stock as collateral, I presume. The Government did not guarantee that the stock was worth a cent.

The people who hold that stock took it, probably, because they could not get anything else, and, if they can get the Government to take over the road and become responsible for all the debts, undoubtedly they have made a good trade. But what kind of trade has the country made? A very bad bargain, and the Government of the day will be responsible for it. I trust that the good sense of the Government will induce them to reconsider what they are doing. If the Canadian Northern have reached the limit, where they cannot finance their own business, let them turn the road into the hands of a receiver, and let him take care of it. If the outstanding debts and stock are worth anything, all right, but if not, the taxpayer of Canada should not be called upon to contribute any further to a matter of this kind. We have enough to take care of without that.

Hon. RODOLPHE LEMIEUX (Rouville): After the very able speech which has been delivered by my hon. friend from Sherbrooke (Mr. McCrea), and the cogent arguments which have been advanced by the hon. gentleman from Pictou (Mr. Macdonald), I do not know that I should delay the House any longer. Yet, Mr. Speaker, as one representing a constituency, composed of a large majority of farmers, who will be called upon to pay further taxes in order to meet the added liabilities which this transaction brings on the people of Canada, I feel that I cannot let this legislation pass without protesting against it. First of all, I think I should characterize this transaction as a most extraordinary if not indefensible one, and I cannot do otherwise than blame my hon. friend the Minister of Finance (Sir Thomas White) for having introduced this legislation at the close of a long session, and at the end of a long Parliament. This legislation will involve the country in millions, in fact in hundreds of millions, and it is thereby impairing the credit of the country, when the credit of the country is so essential to enable it to face the present crisis. I am surprised that the Minister of Finance should countenance such a piece of legislation in the midst of the greatest war which humanity has ever seen or will ever see, when Canada is involved in that war, and when all the resources of the country are needed to meet the exigencies of the war. The least we might have expected from the hon. gentleman, if he was in such a rush was that he would wait until the election had taken place, when new legislators had been elected with a fresh mandate, taking into consideration the fact that this House is far from being complete, as at least one-fourth of its membership is not here, and in the next Parliament there will be fourteen new seats in this House. Of course, we have had many instances where the Government, in the course of its administration, has paid little respect to the people of Canada. In the present instance, I do not hesitate to say that Parliament is being treated with contempt by the Government. First of all, we have presented to us the biggest transaction since the Canadian Pacific and the Grand Trunk Pacific contracts, that has ever been brought before the House, involving the credit of the country to the extent of six hundred millions of dollars.

Yet, Sir, in answer to the inquiry whether they would lay on the table of the House the correspondence exchanged between the Government and the parties who are to profit by this transaction, the right hon. leader of this House (Sir Robert Borden) and the Minister of Finance answered, with a bland smile: "There is no such correspondence." Who in this House or in the country will believe that no correspondence has been exchanged in regard to this matter between the Government and the Canadian Northern Railway Company? You can fool some of the people all of the time; you can fool all of the people some of the time, but you can't fool all of the people all the time. There is a limit to the credulity of the people. The first documents to be laid on the Table should have been the correspondence exchanged between Mackenzie and Mann—or, if you please, the Canadian Northern Railway Company—and the Government.

Not later than yesterday—this legislation not having been fully examined, passed upon, or disposed of—my hon. friend (Sir Thomas White) announced to Parliament and to the country that he had already appointed the arbitrator who was to act on

behalf of the Government I have the honour of knowing Sir William Meredith, the Chief Justice of the province of Ontario. I have nothing to say against the character, the integrity or the ability of that eminent jurist. But it was stated this afternoon by the member for North Cape Breton (Mr. McKenzie) that one-third of the board of arbitrators was committed to value being given to the $60,000,000 worth of stock. The member for North Cape Breton should have said that more than one-third was so committed. The Canadian Northern Railway Company will appoint one arbitrator; surely that arbitrator will be for the Canadian Northern Railway Company. The Government has already appointed Sir William Meredith and instructed him through the Minister of Finance that there is value in that stock, which, however, according to the report of Messrs. Drayton and Acworth, is valueless. Therefore, two-thirds of the commission is already committed to the declaring of a value in respect of stock so referred to in the Drayton-Acworth report.

On each occasion upon which the Canadian Northern Railway Company came to Parliament for subsidies, financial aid, or Government guarantee, we were told that they were coming to Parliament for the last time. But many times they have been here for the last time; now they are again before us. I followed with some interest the remarks made by the member for South Renfrew (Mr. Graham) yesterday. He is somewhat of an expert in railway matters, having presided for several years over the Department of Railways. According to his statement, the Canadian Northern has a credit balance of $8,000,000. Mackenzie and Mann, or the Canadian Northern Railway Company, therefore, do not require aid from the Government at this time. I believe that the member for South Renfrew was right in his remarks; I do not believe that the real claimants or the petitioners in the present instance are Mackenzie and Mann. As was stated by the member for South Renfrew—and the circumstantial evidence, in my judgment, proves it conclusively—the proposal which is being considered by the House, and which will be passed to-morrow, has been cleverly devised by bondholders, pledgees and financiers who wish to make secure their investments in an enterprise which, perhaps on account of the circumstances connected with the war, might not be altogether safe. Is it the function of Parliament to come to the rescue of financiers, bondholders and pledgees who have staked their all on a private enterprise? Is that the duty of the hour? I appeal to my hon. friends who claim to be the only loyalists in this country, is there not something more pressing than this legislation? Every morning I read in the press about meetings that are being held from one end of the country to the other, especially in those highly imperialistic centres, Toronto, Winnipeg, Vancouver, and elsewhere, where the Round Table is so predominant. I read about win-the-war meetings, at which resolutions are being vociferously passed demanding of the Government that a win-the-war cabinet be formed and that a union Government be established in order to carry us through the present dire emergency. I notice that when those meetings are held in Toronto they are generally presided over by the pledgees, financiers and bondholders of the Canadian Northern Railway Company. They are the Warwicks of the present Government; they are the makers and maybe the unmakers of this Administration, and this explains, perhaps, why the Prime Minister, the Minister of Finance, and their majority behind them, are so anxious to obey their dictates.

When I see men playing with patriotism, with Imperialism, as the financiers and backers of the Canadian Northern Railway Company are doing, I am reminded of that little episode in the French revolution. When the famous Madame Roland was approaching the scaffold she saw the statue of Liberty, and she exclaimed as she was passing by: "O, Liberty, how many crimes are committed in thy name!" I say, Mr. Speaker: O, Great War of 1917, O, Imperialism, O, Patriotism, how many crimes are committed in thy name in Canada! Whilst the financiers, the bondholders and the pledgees of the Canadian Northern Railway Company are agitating the country from the Atlantic to the Pacific, in order, as they say, to win the war, whilst they are thus diverting the attention of the public from the real facts of the case, I regret to say that the press of Canada is unfaithful to its great traditions. I stated the other day, when this resolution was introduced into the House, that the press of Canada appeared to be chloroformed on this question. I repeat that statement. The press of Canada is being chloroformed on this question; it does not rise in its might to protest against the greatest piece of villainy that was ever perpetrated by a Canadian Government.

Mr. R. B. BENNETT: I rise to a point of order.

The ACTING SPEAKER (Mr. Davidson): Order.

Mr. R. B. BENNETT: I should think the expression "villainy" is out of order, having regard to a remark made by me yesterday, and the point of order then raised by my hon. friend. My hon. friend should abide by the rules of the House.

Mr. LEMIEUX: I accept the correction of my hon. friend, but if I had time to delve into the language used in the memorable speech delivered by my hon. friend in this House a few years ago against the Canadian Northern Railway Company, I should possibly find an expression even more severe than the one I have just used. Did not my hon. friend say, in 1914, that Parliament was legislating in order to make richer the wealthiest man in Canada, Sir William Mackenzie? I remember how my hon. friend branded him on that occasion, and his speech, which, in some respects, is a classic, inspired me at that time, and if I spoke and voted as I did in 1914, I give my hon. friend credit for convincing me, I will not say of the villainy, but of the audacity of the Government thus to give to men who had already received millions of dollars from the various governments an additional subsidy of 45 millions. The press of the country is silent on this transaction. I listened some days ago to the speech delivered by the ex-Minister of Militia (Sir Sam Hughes), and he hinted that the Minister of Finance had sweetened the press for a certain purpose. That was denied, it is true, by the Minister of Finance. We have the word of denial, but we have also the accusation as between two compeers who sat in the same council. I have so far found only one paper which has dared to express its opinion on the present transaction. It is an old paper, and I do not hesitate to state this evening that in my judgment it is the most sound of all papers. I refer to the Montreal Weekly Witness, edited by Mr. J. R. Dougall, a man who, for the last fifty years, has closely followed political events in Canada. Speaking of the Canadian Northern and referring to the Minister of Finance, he says:

> Sir Thomas White has announced that he is going to buy for the country the Canadian Northern Railway, and make it a government railway, but keep it separate from the other government railways. We would like to have a great deal more information than we have about this railway and its history, so as to be able to judge of the fairness of the bargain which Sir Thomas White proposes. There are signs that it needs very careful consideration, and that Sir Thomas White himself has not given it the kind of consideration that the country would like to give it if the information was accessible. In the purchase of the railway Sir Thomas White is acting as financial agent for the people of Canada, and only a day or two after he has committed the people to the purchase of a railway worth a few hundred million, he stands up and admits in the House of Commons, without a blush, that he does not know whether the Model City Company is a part of the Canadian Northern Railway or whether it is not. Now the Model City near Montreal is representative of a very great deal in this transaction. There are subsidiary properties everywhere. In fact the enterprise is a vast network of subsidiary properties. This particular property became so valuable that it sold for a price equal to many times the cost of the tunnel under Mount Royal, owing to the magnificent entrance made possible by it to the heart of the city. Here is a company worth millions of dollars and our financial agent does not know whether it is included in the deal which he has completed or not. We might ask for instance whether Sir Thomas White knows whether the Tunnel Company is part of the purchase or whether we must pay toll to it also forever. If any individual had such a financial agent working for him, would that financial agent not lose his position the moment he acknowledged such singular inadvertence. If Sir Thomas White does not know whether the Model City property belongs to the Canadian Northern Railway or not we have no reason to suppose he knows whether a hundred and one other subsidiary companies of the system, which are really the cream of the whole business, belong to the company bought out or not. It looks very much like as if he might be allowing Messrs. Mackenzie and Mann to get away with all the cream and leave the country with an appalling—

There is something missing here.

Mr. R. B. BENNETT: Skimmed-milk.

Mr. LEMIEUX: Yes, skimmed-milk. (Reading)

> The Canadian Northern was constructed, not by money supplied by Messrs. Mackenzie and Mann, but by grants of land and money, by provincial and Dominion legislatures, by municipal aid, and by guarantees of interest on bonds. It was built at the expense of the people of Canada who trusted the builders to use the opportunity they were giving them to make a great highway of it. What did the builders do? So far as we know—though we must confess to a great lack of knowledge which is not our fault, but which should be supplied us by the Government, for the railway itself will not supply it—so far as we are permitted to know, these men built the railway, letting the contracts for its construction to themselves, so that they might profit largely by the work, and calling it the Canadian Northern wherever it was thus overtaxed, while wherever there were signs of certain profit to be made, they formed subsidiary companies, which they kept apart from the main line, so that these profits might go into their pockets, no matter whether the main line was wrecked or not. It is generally understood that in this way these two men have made enormous personal wealth out of

town sites, branch lines, and contracts let at great prices. The impression throughout the whole country is that they have in this manner milked the Canadian Northern for their own fattening and left it a gigantic failure that the country cannot see go bankrupt because provincial and Dominion guarantees are so heavily involved. Were the Canadian Northern to fail and the provinces to be called on to make good their guarantees, there is at least one province that would probably find itself bankrupt. So we must save the Northern to save British Columbia. But why should we pay Messrs. Mackenzie and Mann anything at all to secure it? Why should we not rather force them to hand over to the Government the subsidiary companies whose wealth and success was only made possible by the Dominion and provincial grants, subsidies, and guarantees? Unless the country is given a very clear statement of the whole history of the Canadian Northern finance the Government that pays anything for that railway will lose credit.

I have quoted the Montreal Witness because it is the only paper which has had the courage to present to its readers the suspicions which are permeating the public mind in regard to this transaction. I notice also that there was a meeting held the other day in the city of Toronto at which were present such firm friends of the Government as Mayor Church, Mr. T. J. Hannigan, secretary of the Hydro Electric Railway Association, Mayor H. A. Stevenson of London, and Mayor Burgoyne of St. Catharines, the latter of whom submitted the following resolution protesting against this transaction:

> Be it therefore resolved that the municipalities, members of this Hydro Electric Railway Association, representing the majority of the electors of the province of Ontario, vitally interested in transportation problems, strongly protest against the method of taking over the Canadian Northern Railway, believing that the provisions of the mortgage given by the Canadian Northern Railway in 1914 should be enforced; and that the present management should be divorced completely from further control or management of the system under whatever name it may be taken over.

So, although meetings are being held, presided over by financiers, bondholders and pledgees of the Canadian Northern Railway, such meetings being held to divert the attention of the public and ostensibly to win the war and to form a Win-the-War government, there are some innocent people in the province of Ontario, as there is an honest journalist in the city of Montreal—the editor of the Witness—to call the attention of the public to the impropriety of this huge transaction. I have stated already, and I repeat again, that that group of financiers are the masters of the present Government. They have made this Government, and have guided it since 1911. They have chosen their day and hour, and have staged the transaction to fit in well. At the end of a long and protracted session, at the close of a moribund parliament, when the country is thinking only of war, when every nerve is strained in order to win the war, they come to Parliament and press this legislation, the concomitant of the Conscription Bill. Yes, Sir, while the financiers are talking conscription and are urging its immediate application against that disloyal Quebec, their agents are here rushing through this other legislation, by which they will saddle the country with the liabilities of the company amounting to nearly $600,000,000—a little less than the war debt of Canada and at the same time the Government will by a legerdemain hand out to the company through its arbitrators possibly $60,000,000, perhaps less than that, but fortunately not more, for stock which has been declared valueless by the very commission which hon. gentlemen opposite appointed. The whole comedy has been well staged indeed. No voice is lifted up on the other side of the House to denounce the deal; they are too well chloroformed to speak. This transaction has indeed been well staged at a time when the public is absorbed by matters to which this war has given rise, when the country thinks only of war measures. It reminds me of the saying of that old Tory of Tories, the witty Dr. Johnson, that "Patriotism is the last refuge of a scoundrel."

The group of financiers who are behind this transaction are afraid of the future, and well they might be. By this measure they will get full value for their investments in a private enterprise. In a private enterprise there is always an element of risk, but under public ownership their investments are made secure for all time to come.

I listened with pleasure to the speech of my hon. friend from South York (Mr. W. F. Maclean) this afternoon. I know he is sincere in his advocacy of public ownership. He has preached it during the last twenty-one years I have sat in this Parliament. But let me tell him that if he believes that public ownership as applied in this case will be of benefit to the people of this country he is believing in the unbelievable. Public ownership in the present instance is only a blind, or if he chooses a name which is being desecrated in order to help a few buccaneers. The railway situation in Canada has been acute not

merely since yesterday, but for many years past. It has engrossed the attention of the Parliament of Canada ever since I came here.

There are people who believe that we have overreached ourselves, that we have built too many railways. But I am one of those who believe with my hon. friend the ex-Minister of Railways and Canals (Mr. Graham), that the transportation necessities of this country require as many and perhaps more railways than we already have. At all events, the Government thought it wise last year to appoint a commission composed of the best men in Canada, the United States and Great Britain. They selected three experts, Sir Henry Drayton, Mr. Smith and Mr. Acworth. For weeks and months, accompanied by engineers, they travelled from one end of the country to the other. They delved into the books of the various railway systems and they were helped in that task by auditors of ability. They made a report as a result of their long and painstaking investigation. Now, this report is discarded. The Government knows that report created an impression on public opinion and that Sir Henry Drayton and Mr. Acworth have some weight with the thinking people of this country. For a few months we were told that the Government might perhaps accept the recommendations of the majority report. Then there was silence in the press and mystery in the Government councils. After this session had been called, and when the people had nearly forgotten the Drayton-Acworth report, the Government all of a sudden boldly discards it and now propose to take a step in another direction.

It is strange, Mr. Speaker, how the Government takes little stock in its own commissioners. Some years ago it appointed a judge in Winnipeg on the recommendation of the hon. Minister of Public Works (Mr. Rogers). The appointee had had a long and brilliant career at the Bar and was a man of legal acumen. This judge was appointed by the Manitoba Government to preside over an investigation concerning some of the activities of the ex-ministers in Winnipeg. He made his report and immediately the Government, knowing full well that the conclusions of that report were damaging, if not mortal, to one of the Cabinet ministers, appoints another commission to revise the report of Mr. Justice Galt. Later on a gentleman appointed by the Prime Minister in the Department of Justice, Mr. O'Connor, K.C., of Halifax, is entrusted with another mission. He is asked to report on the cold storage system of Canada. Innocently, I must say, but honestly—you will notice, Mr. Speaker, that innocence is always honest—he reports the most damaging conclusions against some of the financiers, some of the trusted friends of the Administration. The Government hastens to appoint another commission to revise the damaging report of its nominee.

As I stated a moment ago, it appointed a commission to report on the railway situation of Canada. The report has been published, and it is one which carries weight. But the Government suddenly finds that the report will not come to the rescue of those who, in 1911, formed a league to defeat the late Government and install in office the gentlemen who are now at the head of affairs. I should compare the Government to Saturn devouring his own children. Nearly every report ordered by the Government has been discarded, thrown into the waste basket; and with regard to the railway situation we are now to expect fuller information from another commission. I remember that in the old Parliament, when the Grand Trunk Pacific project was being considered by the House, the slogan invented by the late Mr. Blair against the late Mr. Cox was: "Cox cannot wait." That slogan created considerable merriment. The Tories repeated it from one end of the country to the other. Yet the late Mr. Cox, then a member of the Senate, offered on many occasions, and his offer was not accepted, to adduce proof of the untruthfulness of the slogan. But, Mr. Speaker, if it was true then that Cox could not wait, it seems ten times truer that certain buccaneers cannot wait to-day in the year of our Lord 1917. In these days of stress, when even the national credit of Canada is imperilled by the dire necessities of war, they must secure at the expense of the treasury the investments which they have made in a private enterprise. This war, with all its sorrows, has made in Canada a crop of millionaires. That explains to a certain degree the unrest of the country. The O'Connor report has lifted a veil from certain profits which in my judgment are of a nature to sow the seeds of rebellion in any country. You will remember that the French Revolution started at the bakeries in Paris. There were in those days some Flavelles who kept the corn which came from the fields of France

and who allowed that corn to come in only in small quantities and by night into Paris in order to maintain high prices.

The poor people understood that there were men mean enough to speculate on the hunger of the consumers. They invaded the streets of Paris, they broke loose, and that was the beginning of the revolution. If you read the recent history of the Russian revolution, you will find that it started at the bakeries of Petrograd and Moscow. The millionaires and profiteers of this war in Canada are also, I make bold to say, sowing the seeds of revolution. The Government in this present transaction propose to arbitrate the valuation of a stock which has been declared valueless. Shall I read again, for the information of the House, the conclusions arrived at by the commissioners:

A third basis of estimate is the value of the property for sale as a going concern. A purchaser would not consider either original cost or reproduction cost as of much importance. The price he would pay would be based on earning power, present and potential. On this basis he would consider how far the Canadian Northern is at present short of covering its fixed charges, how long it will take to reach equilibrium, how much new capital will have to be spent, how soon a dividend may be expected and at what rate. Calculating on this basis, in the light of the figures set out above, it is evident that no purchaser would offer for the property a sum amounting to the total of its liabilities.

We conclude, therefore, that the shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern.

If then the people of Canada have already found or assumed responsibility for the bulk of the capital; if they must needs find what further capital is required; and if they must make up for some years to come considerable deficits in net earnings, it seems logically to follow that the people of Canada should assume control of the property. We return later to the Canadian Northern Company in order to set out our recommendations as to its ownership and management in the future and as to the returns to be offered to the existing shareholders.

Can there be any question as to the conclusions of the commissioners? They declare here that the Canadian Northern Railway have no equity whatever and, in their recommendations, they state further:

We do not recommend that further public aid be given to the Canadian Northern as at present constituted.

The Canadian Northern common stock represents no cash investment, and has no present value, either on the basis of the cost of reproduction of the property, or on the basis of its earning power.

So, basing myself on the report of the majority of the commission, I say that the Canadian Northern Railway has no claim to have any value put on its stock or to have an arbitration to fix a value. The Minister of Finance has already discredited completely that report. He has ignored its contents. Indeed he has given to Sir William Meredith his brief, because in the speech which he delivered only yesterday he showed Sir William Meredith how value could be given to the common stock. First of all he does what the Minister of Public Works did with the Galt report, he begins by abusing the men he has appointed. He says:

Upon this finding some hon. gentlemen opposite have argued that there should be no submission to arbitration because of the calculations of the commissioners as to the value of the assets, the amount of the liabilities of the company and their opinion of its value as a going concern. But, I would point out to the House that there are certain important omissions in the Drayton-Acworth report.

Here is a report which has been prepared after long elaboration and searching investigation and my hon. friend, finding that this report goes against his friends, proclaims that very important omissions have been made. It is a pretty strong hint given to Sir William Meredith that he must find out those omissions, and he adds:

In other words, none of these things are conclusive; they are only elements in the question of what is the fair value in connection with a system such as this, which would, I think, be proper for arbitrators to take into consideration in valuing the assets and liabilities—not as determining factors but as elements in the determination of what is a fair value.

There will also be the question of the earnings of the Canadian Northern Railway Company, present earnings and prospective earnings.

Mr. Speaker, with such a brief given to Sir William Meredith, I say that two-thirds of the commission are already committed in favour of the Canadian Northern Company.

Mr. R. B. BENNETT: The difficulty I experience with relation to the matter is that neither the Canadian Northern Railway nor Mackenzie and Mann were heard, and if those omissions were made, is it fair that they should be given no chance to be heard in person or by counsel before the Drayton-Acworth Commission?

Mr. LEMIEUX: I will refer my friend to the legislation passed by this House in 1914, which he eloquently, and myself modestly, opposed. In 1914, when the bargain was made with Mackenzie and Mann or the Canadian Northern Railway, Parliament agreed to aid it to the extent of $45,-

000,000 On what conditions? A covenant was made between the people of Canada, as represented by the Government, and the Canadian Northern Railway system. I want the Government to live up to that covenant, and I want the Canadian Northern to be made to live up to it. It was agreed that $45,000,000 of common stock should be handed to the Government. It was further agreed that the Government was to have the right to take over the road in event of default. It was set out by section 21 what would be a case of default by the Canadian Northern system. And if there was default, a certain summary procedure was to be taken and the agreement was thereby to be carried out. What does section 21 of the statute say? It reads as follows.

> The following shall be events of default within the meaning of this Act, viz.:
> (a) If the Canadian Northern shall make default in payment of the principal or interest of the guaranteed securities or any part thereof, or default in observing or performing any of the provisions of the new Trust Deed and the security constituted by the new Trust Deed shall thereby become enforceable.

I shall not proceed further. I will take the admission that I find in the speech delivered the other day by the hon. Minister of Finance (Sir Thomas White). He is my witness. He declared, when he introduced the resolution, that the company is not financially able to meet its liabilities. He said:

> The result is that the company is short of cash for the purpose of paying interest upon its underlying securities.

And further on he repeats:

> It is therefore unable to pay its underlying interest charges.

A little further on he says:

> In addition to this, the company has had to do a great deal of short date financing. There is outstanding, secured, for the most part, by Dominion or provincial guaranteed bonds or debentures, short term loans floated in New York or London. The amount of that ordinary, short term liability is about $100,000,000, extending over a period of two years or more. It is not possible for the company, by the issue of permanent securities, to fund that debt. Therefore, it is obliged from time to time to renew these short-term securities, and to carry on as best it may from year to year. The company have, in the past, come to the Government and asked us, as they did last year, to make them a loan of a sufficient amount to take care of the underlying interest charges and to meet the maturing instalments of principal upon rolling stock.

Sir, my best witness that the Canadian Northern Railway is to the wall at the present time, and unable to meet its liabilities, is the hon. Minister of Finance (Sir Thomas White). Therefore I say, according to section 21 of the Act passed in 1914, the company is in default, and if the company is in default foreclosure follows, by section 24. The marginal note of that section reads as follows:

> Equity of redemption foreclosed on default and vested in His Majesty.

And section 24 itself reads:

> If authorized by the Parliament of Canada, the Governor in Council may, on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding.

Is it possible to find a sanction so clear, so precise and so much to the point as the one which is enacted by section 24? I repeat again, if there were a free press in Canada to-day the people would revolt, because the people would know what plot is being hatched at the present moment. Hon. gentlemen in this House have been quibbling, when discussing whether the company is in default or not. First, I have the definition given by the statute. Then I have the corroboration given by the very words uttered by the Finance Minister. But, Mr. Speaker, we have the description of the nature of the sanction enacted by section 24, in the speech delivered in 1914 by my hon. friend the member for St. Antoine (Sir Herbert Ames). That hon. gentleman enjoys the respect of this House and of the community. I do not share his views on all political matters; I find him rather narrow in many things. But let us be frank; the hon. member from St. Antoine (Sir Herbert Ames) enjoys the respect and the confidence of the business community. He himself, is a business man. He is one of the captains of industry in the city of Montreal. When the Government are in a quandary, when they are in a bad corner, as in 1914, when they were being assailed by my hon. friend from Calgary (Mr. Bennett) and by my hon. friend from Kingston (Mr. Nickle), they go to the member for St. Antoine, and he generally finds the plausible explanation to save them. In 1914, after

the speeches delivered by the two hon. members to whom I have alluded, the Government appealed to the member for St. Antoine to placate public opinion in Canada, because the business men were rather struck by the audacity of the Government when they came forward with a legislation by which the Canadian Northern Railway Company was again receiving such a large amount of public money. The hon. member for St. Antoine undertook to explain how easy it would be to get control of the Canadian Northern Railway system, and to brush away all pretenses they might have, if, perchance they should attempt to exact some value for their stock. Let me quote the language of my hon. friend from St. Antoine. I think it is very important that we should hear it. He said:

> What is to happen in case of default?

We were discussing then section 24. He continues:

> We have hitherto been dealing with the situation in case of success. The Government has very carefully looked ahead in regard to what might happen in case of failure.

Failure was not prophesied, but failure haunted the minds of many, and, therefore, the member for St. Antoine said:

> The Government has very carefully looked ahead to what might happen in case of failure. Ordinarily, it is a very slow process to foreclose a railroad and for the bondholders gradually to take possession of the physical assets thereof. The Government in this case, however, has supplied a method of quick procedure whereby the axe drops instantly and whereby there can be no coming back for further assistance. It is definitely stipulated in this undertaking what shall constitute any event of default. It is so clearly defined that there can be no possible misunderstanding. Should the Canadian Northern Railway fail to pay interest on the securities which are to be issued in connection with the guarantee which we are now authorizing, or should they fail to carry out any of the conditions contained in the trust deed as accompanying that guarantee, they would commit an event of default. Should the Canadian Northern, on any of the previously guaranteed securities or hereafter guaranteed securities fail to pay the interest, they would commit an event of default.

Then, comparing the action that could be taken under this section to the axe that chopped off the head of Charles I, the member for St. Antoine declared that in case of default the axe would fall upon the necks of Mackenzie and Mann. I do not see the member for St. Antoine in the House; I suppose we shall not see him during the course of this debate. I hope he will not appear to register his vote in favour of this proposal.

Our clear duty is to foreclose forthwith; to act under section 24 of the statute of 1914. We have a right to take possession of that property which the Government of Canada created with moneys out of the public treasury. The Canadian Northern Railway Company have mortgaged their property; they cannot meet the interest charges; under section 24 the Canadian people have the right to exercise foreclosure.

We should take over the road; the Government should appoint a commission to administer it. I see the Minister of Railways and Canals (Mr. Cochrane) in his seat. Speaking for myself personally, I should not be averse to the hon. gentleman's taking charge of the administration of the Canadian Northern as he has taken charge of the administration of the Intercolonial railway. Some people have found fault with him, but on the whole, although he has a blunt way of speaking, his dealings with the people of the country have been generally fair, and, as I say, I would not be opposed to entrusting to him the administration of the Canadian Northern. At any rate, that would be a lesser evil than that which is proposed under this measure.

You can describe this transaction in one sentence: Canada will be burdened with the liabilities of Mackenzie and Mann, and Mackenzie and Mann will continue to run the road. Enough assistance has been given to that system; enough millions have been handed to it. I say in all sincerity and earnestness that the financial condition of the country should make the Minister of Finance, the watch-dog of the Treasury, pause and think. We are staggering under the burdens of the war. I am surprised that some hon. gentlemen opposite smile when I make that assertion. Is it not a fact that this country is staggering under the burdens of the war? Is it not a fact this burden is felt by every man, woman and child of this generation, and that many other generations will feel it? Yet hon. gentlemen smile when I speak of the burden under which we are staggering. It is a national crime at this moment to increase the financial burden of Canada. The Minister of Finance knows that the increase of that financial burden amounts in round figures to $600,000,000. In the course of his Budget speech the minister said:

> While our national saving during the war has been gratifyingly large, it is not so great as it should have been and to-day no better advice can be offered to the public than to exercise the strictest thrift and economy.

What example is the Minister of Finance giving to the people? He preaches one

doctrine and practises another. He preaches thrift and economy to the people who are overburdened by the war, and yet he spends lavishly. The Government of which he forms a part has appointed a Food Controller who, very wisely preaches economy and thrift. The Government should set the example. Speaking of the financial conditions of Canada and of our war expenditure, my hon. friend said:

> Coming next to the question of our direct war expenditure, we find that with our increasing military effort it also is continually increasing. Since the beginning of hostilities our total war outlay, including estimated and unadjusted liability to Great Britain for the maintenance of our troops at the front and inclusive of withheld pay, totals, so far as we can calculate, about $600,000,000. As the result of this large war expenditure, the net national debt of Canada, which was $336,000,000 before the outbreak of war, has risen to over $900,000,000.

And if I were to ask my hon. friend this evening what the total war debt of Canada is at this date, I am sure he would have to admit that it has passed the billion-dollar mark. Speaking further, he said:

> During the recess we successfully floated the third Canadian War Loan, an issue of $150,000,000 five per cent, twenty year bonds at 96. . . . . It is my present intention to arrange then for an issue of notes or treasury bills and if conditions are favourable offer another war loan in the early fall.
>
> Since the outbreak of the war we have floated in Canada domestic loans aggregating $350,000,000 and have in addition furnished $150,000,000 through our chartered banks to the Imperial Treasury to meet its commitments for munitions and supplies purchased in Canada.

Sir, we have a war debt of over $1,000,000,000, to meet which for the present we have issued war loans. For the first time—and I wish I could say for the only time in the financial history of Canada—we find the Minister of Finance, hat in hand, going to Washington to ask the American authorities to give him a slice of the Liberty Loan. Canada is paying a usurious rate of six per cent. with our bonds selling at 98. Is not my hon. friend afraid of the financial status of our country? Is he not staggered at the position we occupy to-day on this continent? When the republics of the South can borrow at par; when the Government of the United States is lending money to the warring nations of Europe, which are already restless and who have proportionately much greater loans to carry than Canada; when those loans are being issued at low rates, is the Minister of Finance not afraid of the financial position of our country? Is he not at times affrighted when he thinks of the financial obligations of the future? I will not say that such transactions as those which are being considered by the House at the present time spell bankruptcy, but they bring us very near to the verge of bankruptcy. When the Minister of Finance contemplates adding to our war debt liabilities which he could well ignore to the amount of $600,000,000, he is living in a fool's paradise. Our war debt is huge. Our expenditures are increasing every day; our taxation bills are becoming more and more exacting; yet the ordinary expenditures are still on the increase. The Minister of Finance has been brought up in a school of financiers who do not seem to know where to stop in their financial vagaries. The expenditures on Consolidated Fund Account amounted, in round figures, in 1910, to $79,000,000; in 1911, to $87,000,000; in 1912, to $98,000,000, and in 1916, after deducting interest charges caused by pensions and war necessities, to $107,000,000. I have already stated, in the course of another debate, that the Minister of Finance should, during the war, reduce the ordinary expenditures of this country by 50 per cent. If he cannot or will not do that, I beseech him to come back to the figure of our times of prosperity of 1911 or 1912 when we were not exceeding $98,000,000 of ordinary expenditure. I am sorry that I have spoken at such length—

Some hon. MEMBERS: Hear, hear

Mr. LEMIEUX: More sorry however for the vote that will be given by the superloyalists who say: "Hear, hear," by the "win-the-war" members, who exploit the sentiments of the people at the present juncture in order to make it easy for Mackenzie and Mann to raid the Canadian treasury.

It was stated a moment ago that the Minister of Finance might, at least, have referred the whole matter to the Exchequer Court. I will not enlarge on that subject, but the reason why the matter is not referred to Sir Walter Cassels is no doubt, because, during recess, a matter quite similar to the present one was referred to him by the Minister of Railways and Canals (Mr. Cochrane). Every one will remember the raid made on the public treasury by the Quebec and Saguenay Railway. The matter, fortunately, for Canada, went before Sir Walter Cassels, the senior judge of the Exchequer Court, and what happened there? Although a limit had been fixed by the present Government as to the amount that should be paid to the Quebec and Saguenay, the Lotbinière and Megantic, and the Que-

bec and Montmorency railways, although the attorney appointed by the Government was ready to let go, Sir Walter Cassels—and I have his judgment in my hand—refused to let go and did not accept the conclusions of the Government attorney. He took the law into his own hands and declared what was the value of the Quebec and Saguenay and of the Quebec and Montmorency railways, and, with one stroke of the pen, he saved millions of dollars for the country. That explains why the same people are coming again with implementing legislation to get, by other means, what they could not get before honest Sir Walter Cassels. Sir, let it be known that the people who are to-day raiding the Canadian treasury in this transaction are the very same people who are interested in the Quebec and Saguenay railway and who will, in a few days ask the Parliament of Canada to pay them whatever money they have invested in that losing concern. The very same people were also the pledgees, the bondholders, the financiers of the Quebec and Saguenay, and it is to them that the Minister of Finance will shortly ask this Parliament to hand over another large sum of money out of the public treasury.

I repeat, if we had a free press in this country the people would know of these damnable transactions and would rise in revolt against a Government which is ruining them whilst playing on their noblest sentiments. Conscription! Win the war! Union Government!—those are but a ruse to facilitate the conspiracy of the buccaneers and rovers who are anxious to once more lay their hands on the Canadian treasury.

On the motion of Mr. R. B. Bennett, the debate was adjourned.

On the motion of Sir Thomas White, the House adjourned at 11.58 p.m.

Thursday, August 16, 1917.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by asterisks).

MEDICAL OFFICERS, PRINCE EDWARD ISLAND.

Mr. J. J. HUGHES:

1. What are the names and addresses of the medical men employed by the Government or the Militia Department in connection with recruiting in Prince Edward Island?

2. What pay or allowance does each of these medical men receive?

3. What is the total amount paid to each of these medical men since the beginning of the war to the present time?

Sir EDWARD KEMP:

1. Lieutenant-Colonel S. R. Jenkins, senior medical officer at Charlottetown, whose duties include the examination of recruits.

2. $4 a day.

3. $2,753.56. This sum includes the pay received by Lieutenant-Colonel Jenkins while officer in charge of the Rockhead hospital, Halifax.

THE STEAMER GRILSE.

Mr. PROULX:

Who is the officer in command of the Grilse, in the Naval Service Department, and what was his previous occupation?

Mr. HAZEN: The officer in command of H.M.C.S. Grilse is Lieutenant Commander W. Walker, R.C.N. He was formerly first lieutenant of H.M.C.S. Niobe.

LIEUT. WEBB.

Mr. PROULX:

What was the previous occupation of Lieutenant Webb, who is now in command of one of the steamers of the Naval Service?

Mr. HAZEN: This officer is not in command of any vessel. He performs the duties of naval ordnance officer at Halifax. He is a retired lieutenant, Royal Navy.

LIEUT. WOOD.

Mr. PROULX:

What was the previous occupation of Lieutenant Wood, who is now in the Naval Service Department in charge of the Acadia?

Mr. HAZEN: Was formerly a sub-lieutenant, Royal Navy Reserve, and a duly certificated officer of the mercantile marine.

THE STEAMER LAURENTIAN.

Mr. PROULX:

1. From whom did the Department of the Naval Service purchase the steamer Laurentian?

2. What was the price paid for her?

3. Was this steamer ever the property of the Government under any other name?

4. What was the price at which she was sold by the Government?

5. To whom was she sold by the Government?

Mr. HAZEN:

1. Canada Steamship Lines, Ltd.

2. $50,000.

3. No.

4. Answered by No. 3.

5. Answered by No. 3.

QUESTIONS PASSED AS ORDERS FOR RETURN.

Mr. GIRARD:

1. What are the names of the officers who have done recruiting duty in the district of Saguenay during the year 1916-17?
2. What were their respective ranks?
3. During what period were they on recruiting duty?
4. What were the respective salaries of these officers?
5. What amount has been paid to each of them on account of salary and expenses respectively?

Mr. GIRARD:

1. How many soldiers have been enlisted in the district of Saguenay during the year 1916?
2. How many have been discharged?
3. How many of these soldiers are now in the military service?
4. How many of them are in England or at the front?
5. How many of them are yet in this country?

Mr. FORTIER:

1. In connection with the employment of Rev. Colonel Dr. A. E. Burke by the Government as a chaplain, was he furnished with a book, or a number, of Railway Transportation Warrants such as are used by those in military service?
2. Did Rev. Dr. Burke have several of these warrants filled out in the C.P.R. office at Toronto, whereby he and some friends were routed to Winnipeg, via Chicago?
3. Did the Government pay for these trips represented by these warrants? If so, how much?
4. Has Rev. Dr. Burke been commissioned, instructed, or authorized in any way by the Government to work among the Ruthenians in Canada?
5. If so, what work is he doing, and what amount is he to receive therefor?
6. Is Rev. Dr. Burke engaged in any secret service work for the Government, or is he to be so engaged?
7. Has the Government knowledge of the presence and movements in Canada of a certain count or nobleman whose mission from abroad has to do with certain foreign-born citizens in western Canada?
8. Is Rev. Dr. Burke in any way associated with this count, or nobleman, and his work, and if so, is such association with the knowledge and approval of the Government, and are public funds to be paid therefor?

THE NATIONALIST PARTY OF QUEBEC.

STATEMENT OF PRIME MINISTER REPUDIATING CONNECTION OR COLLUSION WITH IT.

On the Orders of the Day:

Right Hon. Sir ROBERT BORDEN: Mr. Speaker, My attention has been drawn to the statement that the Nationalist party of the province of Quebec is about to put candidates in the field on its own behalf against Liberal and Conservative candidates, and I am told the suggestion is being made that there is some collusion between the Nationalist party of the province of Quebec and my government or the friends of my government in regard to this campaign of the Nationalist party. The suggestion is also made that because the friends of the present Government and the Nationalist party both opposed Sir Wilfrid Laurier in the election of 1911 that there is now some connection or collusion and that my supporters and friends are in fact encouraging the Nationalist party of Quebec in the course which they are adopting.

I desire to make a most emphatic, unreserved, and comprehensive denial of this statement. There is not and never will be any conection or collusion whatever between my friends and supporters and those of the Nationalist party of Quebec.

I regard the attitude of the Nationalist party of Quebec in this war as unpatriotic, and I consider that it is the first duty of myself and my friends to assist in defeating that party and to prevent it, so far as we are able, from being in a position to exercise any political power in Canada.

WESTERN COAL SUPPLY.

On the Orders of the Day:

Mr. W. E. KNOWLES (Moosejaw): May I ask the Minister of Labour if he can give us any information as to the prospect of getting anything like the usual supply of Pennsylvania coal in the West during the coming winter. Perhaps he could make a statement later on. I have lately been in the West, and the matter is looked upon with great gravity. The people are by no means convinced that Mr. Magrath is competent to take the Government's place in this matter, and would like the minister to act up to his responsibility.

Sir GEORGE FOSTER: The Fuel Controller reports to my department or to me as minister, and whilst not wishing to take away any prestige from my colleague as a source of information, I am quite willing to place what information I have at the disposal of my hon. friend and the House. I received this morning a report from the Fuel Controller, and to-morrow I will make a short statement of how the matter stands.

WHEAT REGULATIONS.

TELEGRAM FROM THE NON PARTISAN LEAGUE—STATEMENT BY SIR GEORGE FOSTER.

On the Orders of the Day:

Right Hon. Sir GEORGE FOSTER (Minister of Trade and Commerce): The hon.

member for Edmonton (Mr. Oliver) asked me a question yesterday and I replied to him that I would make a statement in the House as quickly as possible with reference to what was involved in the telegram which he read and the question which he put. I am obliged to do that in a little fuller way than simply an oral and categorical answer, in order to give the information which I think is necessary, and to give the status of the case in point.

The Non-Partisan League protest against the action of the Board of Grain Supervisors in fixing a maximum price of $2.40 for No. 1 Northern at Fort William and affirm that, as admission duty free to the United States, was made possible by Act of the Government, the advantage of the higher price in the United States should not be denied.

In normal times this position would be justifiable. But these are abnormal times and the conditions imposed by the war introduce and give force to other considerations. The British and Allied Governments are in urgent need of supplies of wheat and are appealing to Canada and the United States for their total available surplus. That appeal is accentuated by the practical impossibility of readily getting supplies from Australia, India, and Argentina on account of the difficulties of transport. To carry supplies from Atlantic ports to Great Britain and the Allies, ships have been diverted from Oriental, Australian, and Mediterranean services, and the Royal Wheat Commission are loading a large number of vessels simultaneously at Atlantic ports. An even flow of grain is necessary in order to prevent ruinous delay in the despatch of these vessels and to keep up the supply for the Allied needs.

Canada was therefore urgently pressed to forward for shipment all its surplus of the crop of 1916-17, for August delivery. This surplus was lying mainly in storage in the elevators and held for highest possible prices, and sales at greatly advanced offers were not forthcoming. The Board of Grain Supervisors, appointed to secure and facilitate the movement of this grain, faced this situation.

The United States Government had no authority for fixing prices on their side of the line pending the passage by Congress of necessary legislation, and any attempts by the Allies to purchase for present pressing needs would have unduly promoted speculative prices in that country. If no maximum price had been fixed in Canada, the attempt to purchase for pressing August delivery would have sky-rocketted wheat prices, flour would have followed wheat and bread would have followed flour, and the Allies and all consumers in Canada would have suffered for the benefit of a limited number of holders of grain in store, bought at much lower prices.

The board herefore decided to fix what many considered the high price of $2.40 for No. 1 Northern at Fort William and to stop dealing in futures on the Exchange. That action has aided in securing the required supply of wheat for the Allies and has prevented a large speculative rise in wheat, which would have been closely followed by a corresponding increase in flour and breadstuffs in Canada, which would have greatly enhanced the present high cost of living.

It appears to be a case in which the general and public interests of the vast majority must be considered paramount to the gaining by a few of a temporary higher speculative price. The board has not stopped the export of wheat by individual farmers, but has only required information of quantities and grades shipped.

The board has fixed no prices for the crop of 1917-18.

Now that the required legislation has been passed at Washington, and the Controller of Food Prices appointed, co-operation between the two countries may be expected to control and equalize the prices of wheat in both. The immediate effect of the completion of this legislation in the United States and the organization founded thereon has been to cause a rapid fall in wheat prices in that country, and to-day's transactions are below the fixed Canadian price.

As to the composition of the Board of Grain Supervisors, the Government gave the most careful consideration to that matter. The intricacies and the involved character of the business under supervision and the complex and widely extended mechanism connected therewith made it necessary to have some men intimately acquainted with the trade as members of the board, and an endeavour was made to represent fairly the consuming and producing interests. Mr. Wood, as President of the Canadian Council of Agriculture, Mr. Rathwell, as a prominent farmer of Saskatchewan, and Mr. Crerar, who is an influential member of the Grain Growers' Association, specially represent the producers' interest.

It is admitted that the fixing of a maximum price for wheat carries logically the

regulation of the price of flour and other staple food products. These matters are now under consideration, and the completion of United States control legislation will render co-operation possible in the operations of the Canadian Food Controller.

Mr. OLIVER: The hon. minister (Sir George Foster) has not answered the question I asked.

Sir GEORGE FOSTER: What was the question?

Mr. OLIVER: The question was: Is it intended to maintain the present fixed maximum price of wheat, while the price of grain in the United States is as it is, and, to continue the prohibition of export?

Sir GEORGE FOSTER: It is not intended to interfere with the orders of the Board of Control as already issued, and $2.40 is the fixed maximum price for the balance of the 1916-17 crop in store. At the present moment the price of grain, grade for grade, is less at Minneapolis than it is at Winnipeg. I think that answers my hon. friend's question.

Mr. OLIVER: I am sorry to say that it does not answer it yet. I want to know if the prohibition of the export of grain from Canada to the United States is to be continued.

Sir GEORGE FOSTER: My hon. friend will see that the action of the board would be absolutely nugatory, if they fixed a price of $2.40 for the wheat in storage with the purpose of getting it to the Allies, and then allowed those who held that wheat in storage to skite it off to the United States or some other country.

Mr. OLIVER: If I may be allowed to say a word on a very important question—

Mr. SPEAKER: If the hon. member (Mr. Oliver) had placed his question on the Order Paper in the first instance, this discussion would have been obviated.

Mr. OLIVER: Was the British Government not buying American wheat at the same time it was buying Canadian wheat? Was the price of American wheat not fifty cents higher a bushel than the fixed price on the Canadian side? If the British Government was paying that rate to the United States dealer, why should they not pay it to the Canadian dealer?

Sir GEORGE FOSTER: I was not aware that they were paying $2.40 for wheat in the United States. I have no information on that subject.

[Sir George Foster.]

Mr. OLIVER: They must have been paying it, because that was the price in the United States.

Mr. KNOWLES: With regard to the 1917-18 crop, the statement referred to the co-operation between our authorities and the United States authorities. Is it meant by that, that unless the United States fix a price, our people will not fix a price?

Sir GEORGE FOSTER: I do not think we can make any statement as to what will take place contingent on something else occurring.

CANADIAN RAILWAY SITUATION.

DEBATE CONTINUED ON MOTION FOR SECOND READING OF CANADIAN NORTHERN RAILWAY BILL.

The House resumed the debate from Wednesday, August 15, on the motion of Sir Thomas White for the second reading of Bill No. 125, providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway company.

Mr. R. B. BENNETT (Calgary): Mr. Speaker, I am sure that every member of this House—for that matter every citizen of Canada—has the most profound sympathy with the Prime Minister and the members of the Administration who are charged with the responsibility of carrying on the Government during the greatest conflict of all the ages, but, while our main purpose in Parliament must be to carry forward this war to a successful termination, nevertheless, side by side with that purpose there are large domestic problems which must be dealt with. The economic and financial stability of the country must be maintained, our production must be increased, and we must make every effort in our power to endeavour to at least maintain the credit of our country, and enable it to meet the demands that must be made upon it financially.

The largest domestic problem that must engage the attention of the people of this country is that connected with transportation. The war was not an inherited legacy of this Administration. It came since this Administration was called into existence, but the transportation problem, in its present acuteness, was the legacy that was inherited when this Government came into power in 1911. Any thoughtful man, reviewing the history of the past in this country, must be convinced of that fact, and my hon. friend from Sherbrooke (Mr. McCrea) last night very properly put his

finger upon the weak spot of the legislation that has been passed in Canada during the past fifteen or twenty years. It serves no useful purpose, Mr. Speaker, to dwell upon the past. It serves no useful purpose to endeavour to allocate blame. It is a condition, and not a theory, that confronts this country. We have four systems of rail transportation. We have the Government system, the Grand Trunk system, the Canadian Northern system and the Canadian Pacific system. We cannot, by any thought or act change those facts as they exist. They are with us, and with them are the responsibilities arising out of the legislation that called them into being. There is just this that might be said on behalf of those of us who, in the years that are past, have supported Conservative policies and programmes: that there has not been placed upon the statute books of this country, by this Government, a single Act passed by this Parliament that has had to do with the initiation of any one of those enterprises. It is true this Government had something to do with respect to the enterprises to which I have referred, but the one enterprise that the Conservative Government must be responsible for is that system known as the Canadian Pacific railway. The other two enterprises were fathered by the Liberal party in their entirety, and that party must take all the glory and blame that attach to such fatherhood. These are the facts, and it is idle at this time to discuss that question, and it serves no useful purpose to endeavour to blame one party or to approve of the action of the other party. I do not purpose to endeavour to review the legislation which has led up to the existing condition. We have spent millions of dollars in establishing terminals at Halifax, Fort William, St. John and Vancouver, and in providing rail facilities for the handling of traffic that we hope will one day come into being.

All this we have done in faith, faith being the evidence of things not seen and the substance of things hoped for. If at times our faith far outran any warrant that there might have been for it; if at times our optimism was somewhat stronger than that which our sense of caution should have induced, at least we recognize the fact: that we have provided transportation facilities in this country to meet the needs of a population at least three times greater than we now have. How to take care of that condition until the population of 7,500,000 shall have been expanded into 30,000,000 is a question that must receive careful consideration on the part of every thoughtful man in this country.

It is an elementary rule of transportation that he who uses the transportation facilities should pay for them. It is a rule of transportation that the man who travels or transports his freight or traffic should pay for that service. Unfortunately, however, the service provided far exceeds the demands made upon it and if the credit of the country is locked up behind the enterprises then the taxpayers as a whole must be called upon to pay that which, according to the principles that govern transportation, should be paid only by those who use the facilities. That is the reason why the farmer of the West must continue for many years to pay directly for the upkeep of two transportation systems that do not earn sufficient money to meet the fixed charges upon their outstanding indebtedness. That is a fixed and definite charge which, because of the creating of facilities beyond the demands of the community, must be met by the taxation of all classes, rich and poor, the farmer and the artisan. That measure of taxation is large, and it is increasing. It is something that we must meet, in every sense of the term, frankly and honestly. There is no use glossing it over; we must look it fairly in the eye.

I want to show to-day that the maintaining of the credit of the two roads to which I have referred involves a charge on the taxpayers of Canada of not less than $1,500,000 a month or $18,000,000 per annum. That enormous sum, which must be met by general taxes upon the people, should, according to every fixed rule governing transportation, be met only by those who use the facilities. It will not be. That means a direct tax upon the grain producer of the West; it means a direct tax upon the steel producer and the manufacturer of the East. Moreover—I make this observation in passing—when we placed wheat upon the free list and allowed it by reason of our Order in Council free access into the markets of the United States, at one stroke of the pen we increased the obligation that must be borne by the taxpayers of Canada as a whole. Why? Because last year the Canadian Northern alone handled 138,000,000 bushels of wheat which it moved east. If my hon. friends opposite are correct in saying that wheat will move no longer east, but south, the revenues of these transportation companies will be lessened to the extent that the haul-

ing of that wheat east would earn. The result is an added tax upon the wheat producer—and I am not sure that he will not have to bear an added burden in the form of taxation to meet the deficit in connection with our transportation facilities to an amount equal to, if not exceeding, the benefits that will accrue to him by reason of the increased prices. That is an economic consideration that should be steadily kept in view in the discussion of matters affecting transportation.

I have in days past—in fact, at almost every session since this Parliament met—discussed at some length the history of our transportation facilities. I shall not weary the House to-day by again going over that discussion. The condition that confronts the Government, this Parliament, and the people of this country, has arisen under the circumstances to which I have alluded. I should like to correct the false impression of the member for Edmonton (Mr. Oliver) who indicated the other evening that the war had lessened the traffic of the railways. This war had added tremendously to the revenues of the railways. When you look at the Trade and Commerce returns of Canada and observe that there has been a great expansion in our exports and a great increase in our imports, you will realize that the demands made upon our transportation facilities have accordingly increased. Hence it is that the operating revenues of the Canadian Pacific are larger this year than ever before in its history; that the operating revenues of the Canadian Northern are larger this year than ever before in its history. I regret, however, to say that last year the operating revenues of the Grand Trunk Pacific were less than the amount of money received for hire of its equipment. The surplus equipment rented produced more net revenue last year to the Grand Trunk Pacific than its operating revenue. Perhaps its location had something to do with that. The two roads in question have operated, notwithstanding the conditions of trade and commerce in this country, at a loss. The net revenue of the Canadian Northern for the year ended June 30, 1917, was something like $11,500,000, but the fixed charges against its revenues—fixed charges for interest upon its bonds, for rental of properties leased, and for equipment—amounted to the very large sum of over $15,000,000. If you add to that the interest which is not added in the blue book submitted to the House—interest upon the $15,000,000 that was loaned by the people to that road and which absorbs an additional $900,000 per annum—you will observe that the total fixed charges of the road will amount to nearly $20,000,000 per annum. If you look at page 7 of the blue book you will find the statement that there is an annual interest charge of $14,405,643.13; to that is to be added equipment obligations payable under the scheme by which a certain sum per annum of principal and interest is paid for equipment, absorbing a further sum of $3,735,000. $3,735,000 plus $14,405,000 makes $18,000,000, and to that is to be added the interest upon the loan referred to at page 11 of the blue book, $15,000,000 at six per cent per annum, making $900,000 more. So that the total sum exceeds $19,000,000 of fixed charges to maintain that system when it is completed. In the meantime its capital is being depleted by the payment of interest out of the proceeds of bonds. The delay in the completion of construction is absorbing day by day large sums by way of interest beyond what was contemplated when the terminals, for instance, at Montreal were conceived. Just that much less money, therefore, is available for construction, and the burden that must be borne by the people is greater to that extent. This $20,000,000 in round figures is the sum per annum that the Canadian Northern must earn as a surplus out of its operations to meet its fixed charges. I am advised—my judgment may not be worth very much, but my estimate of the earnings of the system was, at least, more nearly correct than that made by the Third Vice-President of the Canadian Northern railway three years ago—that we cannot hope in less than five or seven years to earn $20,000,000 of surplus in the operating of that road when it is completed, even under the very best conditions we can conceive of. $20,000,000 is a very large sum to earn by way of surplus. It means an operating revenue of nearer $80,000,000 than any other figure I can name, having regard to the newness of the system. A ratio of 100 to 25 as between gross earnings and operating expenses would not be unfair, having regard to the character of the system and the difficulties that must be experienced in the operation of a new venture.

Under these conditions, with this system in this condition, with its bonds guaranteed by the provinces and by the Dominion, with the guarantees underlying the fourth mortgage that we made in 1914, and with the additional obligation resting upon this road by reason of the outstanding securities in England being treated as being partially

guaranteed by this country because of our fourth mortgage which ranks after those securities, we have to do one of three things, and there is, it seems to m , no getting away from that. We have to determine, first of all, whether or not we shall let that property go into the hands of a receiver; second, whether we shall give it financial aid, and third, whether we shall acquire the road and the stock by one of three methods:

(a) By negotiation, agreement and purchase;

(b) By expropriation;

(c) By virtue of the Statute of 1914.

So far as the question of a receivership is concerned, the Drayton-Acworth report found against it; the Minister of Finance said that it was impossible to think of a receivership in this country at this time. For my part, I have never been afraid of this bogey of a receivership. I said in 1914 that if I had my own way (which I did not have, perhaps fortunately for this country), that road would have been put into the hands of a statutory receiver; Mackenzie and Mann would have been replaced, and qualified receivers, appointed by this Parliament and subject to this Parliament, would have administered that property as a trust for the purpose of completing it, when we could have determined what we should do with it. That was the course advocated by me at that time. A receivership need not be such a bogey as it appears to be in the minds of some persons; 75 per cent of all the roads in the United States have passed through the hands of receivers, and the result of a receivership could be only one thing: It would remove from the control of the property the Mackenzie and Mann interests; it would conserve it for the people whose money built it, and it would enable the people of Canada to acquire some first hand knowledge of the whole venture, which knowledge we do not yet possess. I am, however, in the position of one who is told by men who occupy official positions—and whose opinions, by virtue of their office, are entitled to a consideration that must be denied to mine—that a receivership cannot be thought of. Some hon. gentlemen opposite agree with that view; gentlemen who have held high office hold that view, and the best consensus of opinion on this side is the same. I will, therefore, subordinate my opinion to theirs, and we shall dismiss the question of a receivership. But were I in a position of authority to-day, instead of the legislation which is now being submitted to the House, I would preserve the identity of the Canadian Northern by the appointment of a statutory receiver or statutory receivers, occupying the position that Mackenzie and Mann occupy, and I would advance such moneys as might be necessary to place the undertaking on its feet as was done in the case of the Wabash, the Rock Island, and the Chicago Great Western railways, and, those receivers' certificates would have prior claim over the interest on the 4 per cent perpetual debenture stock of the Canadian Northern and over every other security except those guaranteed by the provinces and the Dominion. Fortunately, perhaps, for this country, I have no power, but no gentleman residing outside of Canada and occupying first-class business positions, positions of the very highest importance, see any difficulty in carrying that out as a business proposition. But it will not be done, so we will dismiss it from consideration.

As to the second point, namely, giving financial aid to this road, the Canadian people are not disposed to make further loans to Mackenzie and Mann. The consensus of opinion in this Parliament and outside of it is that we have lent all the money we should lend and made all the advances we should make to those gentlemen, and that the time has come when those with whose credit and money the road has been constructed, should have, at least, a dominant voice in its administration. We must remember that the men in charge of that corporation, whether we like them or dislike them, have control, in this country, of traffic facilities measuring 9,500 miles and are in charge of annual revenues of over $40,000,000. They are but trustees. It is admitted that, although they have given some time and attention to the financing of the road and that they have done that work admirably, they have no cash investment in it; and that being the case, they occupy the position of trustees of a great enterprise for the Canadian people. As they are unable to finance it, I submit that, if the collective credit of Canada must finance the enterprise, then the people of Canada must direct how that enterprise shall be completed; how its facilities shall be used; how the traffic shall be regulated, and what shall be the character of the service it shall give to the people who have financed it. I, therefore, without further elaboration, dismiss the question of additional financial aid to the road.

I pass on to the consideration of the third alternative that presents itself to Government or to Parliament, and that is the acquisition of the property, whether it be the

physical property or the stock. There were open to the Government three methods by which they could acquire the road:

(a) By agreement, negotiation and purchase;

(b) By expropriation;

(c) By the exercise of the powers conferred by Parliament upon the Government in 1914.

The Government have chosen (a) with a combination of (c). They purpose acquiring this property, or the shares that represent it, by negotiation, agreement and purchase, together with a submission to arbitration of the question as to what shall be paid for those shares and that property. I will not take up the time of the House at this moment to discuss the question of expropriation. It was open for this country to expropriate the property without reference to the statute of 1914 to which I shall presently refer. It is fair, however, to say that that method was eliminated. Let us now proceed to consider the other methods of acquiring the property. I take it that it is the common sense of Parliament that the property should be acquired; in fact, the amendment moved by the hon. member for South Renfrew (Mr. Graham) contemplates an approval of the principle of the acquisition of the system. There is no doubt as to that, and my hon. friend very properly nods assent. We may, therefore, say that this House is a unit in assuming that we shall acquire control of the Canadian Northern system. That involves two questions:

1. How shall that be done?

2. How shall the price, if any, that is to be paid, be determined?

I am not in accord with the Government's legislation upon the first point, and I shall show that, upon the second point, there must be very important amendments made or this country is going to suffer enormously. That is my position with relation to those two questions.

Perhaps it might be well for me to discuss for a moment the legislation of 1914, merely for the purpose of enabling us to have a clear appreciation of the circumstances under which it was enacted.

You will remember, Sir, that at that time the owners came to Parliament and said they required $100,000,000, and if we would raise $45,000,000 they would raise $58,000,000—the proceeds of the $45,000,000 bonds we guaranteed plus the $58,000,000 being equivalent to $100,000,000. We guaranteed the $45,000,000, and as compensation for that guarantee we obtained certain benefits, and these must always be kept in mind in the consideration of the problem as it now presents itself. First, we took as security for the $45,000,000 a first specific mortgage or charge upon certain properties which are set out in the schedule to the Act. But before we did that, we created the Canadian Northern Railway system, which system was made up of a large number of companies, the names of which are set out in that schedule. In addition to that, we took a further charge upon securities that were already hypothecated for the purpose of providing for the payment of the consolidated perpetual debenture stock of the system. For instance, the telegraph system is mortgaged to the hilt, but we took the capital stock of the telegraph company and a mortgage, subsequent in point of time, of course, to the mortgage on the securities with respect to the telegraph system. And so with respect to many other matters. I will not waste the time of the House nor trespass upon the patience of hon. gentlemen except to point these things out shortly. Then we determined the capital stock of the road. We fixed it at $100,000,000. We already owned $7,000,000, and we got $33,000,000 more, which made $40,000,000 of stock in our possession in 1914. By a stroke of the legislative pen we created $23,000,000 more of stock, and that $23,000,000 of new stock added to the stock that was then held by the proprietors, made $60,000,000 of stock that remained in their hands. That $60,000,000 of stock, if the House follows me, represented $23,000,000 of new stock called into being by a stroke of the legislative pen, and our stock represented $33,000,000 which was given to us in addition to the $7,000,000 we already possessed, and the $7,000.000 we already possessed was created by the company merely passing a resolution to say that there should be $7,000,000 more. It was felt that $100,000,000 was a fair capitalization of the system. Sixty million dollars remained in the hands, as it was then said, of Mackenzie and Mann or their interests —and this is important in view of what I am to say later. That is to say, it was represented to this Parliament in 1914 that Sir William Mackenzie and Sir Donald Mann, and Mackenzie, Mann and Company owned or controlled $60,000,000, being the difference between $100,000,000 and the $40,000,000 we obtained. We guaranteed bonds and issued them. Part of them were sold and part of them we took hypothecation of and gave Dominion notes on account. In other words, we advanced $10,000,000 of legal tender of Canada against

$12,500,000 of those bonds to enable them to carry on their undertaking.

But that did not finish it. They came back to us again last year, and we made a demand loan of $15,000,000 at 6 per cent—and this is important in view of what I am to say later. In view of these facts, the Government has concluded— and in my judgment properly concluded—that the time had come to acquire control of the Canadian Northern company, its physical assets and properties, as well as its shares, if they could be obtained; it is not important whether we have them or not in view of the legislation. What transpired was that the Minister of Finance advised the House that the president and vice-president of the road told him they could not continue further to finance the road without assistance. That is taken for granted in view of what I have shown with respect to their fixed charges; they could not meet them, as their revenues were insufficient. It was felt by the Government in 1914 that if Canada was to give its credit to this enterprise in the manner indicated, some provision should be made whereby, in event of default being made, the Canadian people could get possession of the property into which they had put their money. I suppose some hon. gentlemen may remember my observations with respect to that. I observed that it was provided that default under section 31 arose under that trust deed in the event of there being failure to pay any charge under trust deeds or mortgages thereafter created. Now whether or not there is default on the $45,000,000 mortgage or on any other mortgage is a matter of absolute indifference to this House, for we loaned the company $15,000,000 on demand last year, and they have not paid it back. All we have to do is to ask them for it, and default is there, and that is an end of it. So we need not argue the question of default. I do not suppose any hon. gentleman would waste the time of the House asking whether or not there is default, for it is so apparent that it need not be argued.

So we have default, and there being default, there arises in the mind of this Parliament—because it is Parliament and not the Government that is charged with the responsibility—the question: What action shall we take in view of that default? The ordinary remedy for default is foreclosure. It is always open for the mortgagee to take possession, but a mortgagee's possession is always a serious matter, and in 1914 I pointed out that I objected to the terms of the clause now under consideration, for the reason that if we exercised those powers we became mortgagees in possession, and as mortgagees in possession we were liable for a strictness of accounting that in my judgment no Government and no Parliament should undertake. I made a further criticism, and it was this, that inasmuch as it is provided that in the event of default we may take possession of the physical property, there was no ready method available by which, having taken possession, we could foreclose the equity of redemption. I urged against section 24 the criticism that it could only be made effective if Parliament was in session, because it did not give to the Governor in Council any power to foreclose the equity of redemption, but vested that power in this Parliament, and every member of this House has an equal responsibility for the exercise of that power. If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions, if any, as Parliament may prescribe, at any time while any event of default shall exist and be continuing foreclose the equity of redemption.

Let us for a moment ask ourselves what the foreclosure of the equity of redemption means. It merely means the wiping out of the stock; it merely means the destruction of it so far as value is concerned. Having wiped out that stock, it would only be necessary to reorganize the company in the hands of the administration, and issue capital stock to the extent that might be necessary to represent the new investment the Government was putting into it. That is what is done in every reorganization plan. Some hon. gentlemen no doubt remember the reorganization plan of the Wabash last year and of the Rock Island system and of the Chicago Great Western and, more recently, within the last few weeks, the reorganization of the Missouri Pacific. What was done in these cases was that a great financial house like Morgan's, or Kahn, Loeb & Company make the necessary cash advance, make the necessary assessment on the old capital stock, and then reorganized with a new capitalization, sometimes with no change of name for the purpose of enabling the company to continue its corporate existence and carry on its business.

That section contemplated dealing with the determination of the compensation to be paid on the foreclosure of the equity of redemption. Of course, behind that, there is the very sound principle that this is the high court of Parliament; this is the su-

preme court of this Dominion, and it is but in keeping with the theory of our constitution and of our institutions that when this Parliament deals with a matter, as a high court, it has the right to determine what compensation shall be paid for the foreclosure of the equity of redemption which may belong to any person with relation to any property. This high court of Parliament, sitting as the court of last resort—the tribunal of paramount importance—has the right to determine what sum shall be paid for the foreclosure of that equity. Parliament does not necessarily act by all its members sitting together and hearing the evidence. It is not necessary that we all have to sit here and hear the witnesses, to determine what value, if any, attaches to the equity of redemption. We can designate a committee, whose report we may or may not accept, or we may determine that this high court will appoint certain referees for the purpose of taking evidence and determining what value rests upon that equity.

I cannot agree with my hon. friends opposite in saying that without hearing testimony we should decide that no value attaches to that equity of redemption. To quote the words of the right hon. leader of the Opposition, we have not yet reached that "Prussian state of affairs," but we well might say: "Is this Prussia?" if we denied to any man whose property is being taken from him the right to establish that it had some value. I put it to hon. gentlemen opposite, is it consistent with the ideas of British justice and British fair play that Mackenzie and Mann, or anybody else—and I love them not—should be deprived of their property without having an opportunity to establish its value, if it has any? What would hon. gentlemen opposite like to have done to themselves? Is there a single gentleman who would like to have the equity of redemption of his farm for instance, taken from him without having an opportunity of being heard before the tribunal that takes it? Not long ago there was a case decided in the Supreme Court, from the province of Manitoba, in which the holding was that notwithstanding the fact that the equity of redemption had been barred and taken from a farmer years before, he was still permitted to come in, pay off his mortgage, and get back his property. It is somewhat dangerous—I emphasize the word—for a body of responsible gentlemen sitting in this Parliament at this time to say to the people of Canada that we deny to any person the right to establish, if he can, that there is a value to that which you take from him. There is a great feeling of unrest in this country at the present moment. Sometimes I wonder if it will find manifestation in socialism, or anarchy, or something worse. I entreat hon. gentlemen to pause before they say to the body of excited and disturbed public opinion in this country at this time, that you are going to take property from individuals, without affording them an opportunity to present their case before those referees who have been appointed or who will be appointed by this Parliament to determine the value attaching to the equity of redemption in the property foreclosed.

There is another feature I would like to mention, because it appears to me to be rather important. I wonder if any honourable gentlemen have thought, as I am sure many of you have in days gone by, upon what rests that right of every man to have presented before any tribunal to which he may be directed the value of property that may be taken from him. Let us see what the Magna Charta said about it. It is a long time ago since John met the barons at Runnymede. By article 38, of the famous document, it was enacted and declared that no man should be dispossessed of his property except by due process of law. Upon this has been laid the foundation of the Constitution of the United States, and upon this it has always been open to the poorest citizen of this realm to go to any properly constituted tribunal and ask that his rights be respected.

Mr. LEMIEUX: What about the Habeas Corpus?

Mr. R. B. BENNETT: Habeas Corpus has sometimes been suspended, but up to the present moment there has been no statutory suspension of the Magna Charta. Probably Habeas Corpus was a little later in point of time, but it is one of the great charters of the liberty of the subject.

Mr. LEMIEUX: The Bill of Rights.

Mr. R. B. BENNETT: Bill of Rights, and all these other charters upon which rest the foundation of our liberty and our freedom——

Mr. LEMIEUX: Hear, hear.

Mr. R. B. BENNETT—the first being Magna Charta, why should it be lightly disregarded by Parliament? The late Mr.

Justice Brewer of the Supreme Court of the United States, in dealing with a case something like this, said:

> "The equal protection of the laws—the spirit of common justice—forbids that one class should by law be compelled to suffer loss that another may gain. If the state were to seek to acquire title to these roads, under its power of eminent domain, is there any doubt that constitutional provisions would require the payment to the corporation of just compensation, that compensation being the value of the property as it stood in the markets of the world, and not as prescribed by an Act of the legislature? Is it any less a departure from the obligations of justice to seek to take not the title, but the use for the public benefit at less than its market value?"
>
> "Property invested in railroads is as much protected from public appropriation as any other. If taken for public uses, its value must be paid for. Constitutional guarantees, to this extent, are explicit: and in such condemnation proceedings no inquiry is permitted as to how the owners have acquired the property, provided only it be legally held by them.

And I invoke that principle, which is as old as Magna Charta, which has found application in the statutes of this country from time immemorial, and which is the fundamental basis upon which the rights of all mortgagors have been based, in favour of a just and fair opportunity being given to the Canadian Northern railway to establish their value before referees.

Unless this Bill is amended in essential provisions, in my judgment it does injustice to the Canadian people, and a most serious and violent injustice, and works a wrong the extent of which cannot be measured in dollars. Let me present the case. What is the principle of the Bill now before the House? First of all it provides for the acquisition of shares in the Canadian Northern railway. That principle is sound. The Bill, however, says that His Majesty in Council is to enter into an agreement, and that agreement is between the owners and the pledgees of not less than five-sixths of the capital stock, for a price to be determined by arbitration. Since when were pledges introduced into this Parliament? If the hon. minister makes an agreement, he can only make it with the men who own the shares, and as the owners of the shares have pledged them he is going to make the pledgees a party to this agreement, instead of utilizing the power given him under the statute to which I have just directed attention.

Why should a third party be introduced in this transaction? Why should any pledgee, however eminent, be introduced into this transaction? What do I care who may advance money in respect to these shares or what sum he may advance? This House was told in 1914 that Mackenzie, Mann & Company and Mackenzie and Mann controlled these shares or owned them, and any man who took a pledge of them took it in knowledge of the statute and of that fact, and therefore it follows that this House should exercise the power given to it to take these shares and this property without regard to the rights of pledgees whose rights have arisen only since that statute, if the facts were as stated in 1914.

Let me go further. Are these pledgees to have anything to say in fixing the value before the referees? Let me put this illustration. Suppose that in 1915 I had gone to the bank to borrow $100,000, and suppose that I had put up as collateral 800 shares of Winnipeg Street railway. That stock was then worth $209 a share; to-day it is worth $36. Suppose I supplemented my collateral in 1915 by putting up some Canadian Northern stock. Obviously, since the Street Railway shares have fallen to a lesser sum than the amount of the loan, suppose some value now attaches to the Canadian Northern Railway collateral, are the pledgees to fix the value of the shares by indicating the sum advanced upon them? Is that to be a factor in fixing the value of the stock? I submit not. I submit that the very moment that we untertake to acquire these shares by agreement with pledgees that very moment we undertook to deal with a third party with whom we should not deal. Nothing would drive me from that position. You may argue that these men are like second mortgagees, and have a right to be heard before the referee. The only right they have is the right to be paid off, so far as that is concerned. The position is clear. If we are to acquire these shares by purchase we have no right to acquire them by an agreement with a third party, and Mackenzie and Mann who may have pledged them. Let us deal with the men who are the ostensible, registered owners of the shares. It is hardly necessary to say to the Finance Minister that unless the share register shows these men as owners of shares, they have no right under the law. The only right they have is the right to register, and if they do not register, the only person to deal with is the registered owner, and no one else. That is so elementary, that no bank taking collateral ever hesitates to place upon the register the name of its manager or of the bank itself as the owner of the shares held as collateral. I object, I strenuously object, I file my objection against any effort

being made to introduce before these referees who are to arbitrate values, men who are not the registered owners of shares. If somebody becomes the registered owner of shares we will deal with him and buy the shares from him. If they are pledged to somebody let these pledgees register and become owners, but do not let us introduce a third party to this transaction. That is what I have to say with reference to that first principle.

And then, why do we say we are going to acquire five-sixths of these shares? We do not need to have five-sixths of them to get control of this enterprise; to acquire control all we need to have is 51 per cent of the stock. I am going to direct the attention of the Minister of Finance to the income bond securities, whereby an increase of $25,000,000 of stock is provided. When this country acquires this enterprise and becomes owner of its shares, the $25,000,000 stock will acquire some value, and under the legislation of 1914 it was provided that these shares might be exchanged for income bond securities up to the 1st day of January 1919. I put this to the House in al seriousness: If we exercise the power under the statute of 1914, we destroy those shares and that right; but if, on the other hand, we buy shares, we leave that right intact, and some people with $25,000,000 of income bond certificates, are going to be able to exchange them for Canadian Northern stock for $25,000,000. Let us look at the section. Section 12, of the statute of 1914 says:

> Provided that for the purpose of exchange of Income Charge Convertible Debenture Stock, secured by trust deed made to the British Empire Trust Company, Limited, and the National Trust Company, Limited, dated 6th May, 1910, not exceeding twenty-five million dollars in all, there may, during the period of the option of exchange given by said Trust Deed to the holders of said debenture stock, viz.: The years from January 1, 1916, to January 1, 1919, inclusive, and during any extension of that period, be issued to such holders who may exercise said option, such amounts of capital stock, over and above one hundred million dollars as may be required for the purposes of such exchange, not exceeding one hundred ($100), of capital stock for one hundred dollars ($100) of debenture stock and not exceeding in all twenty-five million dollars.

This legislation does not wipe out that $25,000,000, that has not been issued, because the rights conferred by that statute still continue, and after this Government gets in its whole $60,000,000 of shares and becomes owner of $100,000,000 of shares, income bond holders scattered throughout the world, on the 31st December, 1918, can come to this country and exchange them for capital stock in the Canadian Northern railway, thereby creating a second partner in the enterprise. But if my learned and hon. friend had exercised the power given him by the statute of 1914, and taken possession of the physical property of the road as he should have done, and had exercised the power to foreclose the equity of redemption, as I submit he should have done, then, of course, that would have abolished the stock, and on a re-organization which the minister would make under the powers given by the statute that right would have been destroyed. That is as clear as anything in the world. That is the next point in the legislation.

Now I come to the third point in the legislation. We expropriate the balance of the shares beyond the five-sixths. If we can expropriate with relation to one-sixth, what difficulty is there in expropriating in relation to all? That naturally strikes any man. And if the power is given under the statute as it is, to expropriate with relation to all, why should we not exercise it instead of resorting to this new method?

The next provision is in relation to the appointment of directors, and the next principle of the Act is that no assistance shall be given until this stock is lodged by the pledgees and owners. Well, I am sure that this House has been awaiting, as I have, for some assurance that the people who are now in control of the property are not going to be continued. If we are going to advance money, and are to have power to name directors, there is nothing yet to indicate that we are going to exercise that power for the purpose of putting the present people out of business.

Mr. MURPHY: Hear, hear.

Mr. R. B. BENNETT: And, of course, to my learned friend from Russell (Mr. Murphy) and myself that is the most important thing in the world.

Mr. MURPHY: Hear, hear.

Mr. R. B. BENNETT: That is the one thing we should like an assurance on. and I doubt not that before the Bill is through the House we shall have some such assurance.

Let us go a step further to the next principle that this Bill declares for. The next principle in the Bill is that the Governor in Council, without recourse to Parliament, is authorized and empowered to pay any sum of money whatever on behalf of the

Canadian Northern. I submit that is not right, and not in accordance with constitutional principles, not with the great principle that we should know what we vote supplies for. The people's money should not be left in the hands of any Government, to be dealt with as they may see fit, without regard to Parliament. Parliament is responsible, and not the Government. Section 3 of the Bill reads as follows:

3. (1) So soon as the said five-sixths of the said shares have been transferred as aforesaid, the Governor in Council may assist the Canadian Northern Railway Company, or any company included in the Canadian Northern Railway System, in paying and settling any indebtedness of such company or postponing the payment thereof on such terms as may be agreed upon, and for such purposes may make advances out of the Consolidated Revenue Fund, may guarantee payment in whole or in part, and may give the obligations or securities of the Government in connection therewith.

As a matter of principle, we should have added to the section the following words: "For the year 1917-1918 not exceeding —— dollars." I make this suggestion because it is in accordance with constitutional precedent. It is not a sound doctrine that Parliament should give a blank cheque to any man, no matter how eminent he may be, with respect to domestic enterprises of a character such as this. In war time conditions differ, and it may be necessary to depart from ordinary rules, for war purposes. But the power and supervision of this Parliament must be always exercised. If Parliament is true to its traditions, and to the functions for which it is created, it should see that money is voted for a specific purpose, and that we should limit the extent to which aid must be given. That is a small point, but it is essential to consider it, as part of the principle of the Bill.

Then we come to the next principle, that of arbitration, and with regard to that question I should like to make rather extended remarks. Personally, I believe it would be better to submit this matter to arbitration than to a single judge, for a reason which I will mention to this House. A judge, under his oath of office, dealing with evidence strictly as evidence, and hearing testimony, would probably arrive at conclusions, having regard to the conditions of the law with respect to compensation (to which I shall presently refer), that might bring about results which, in my judgment, would involve very far-reaching consequences. The proposition is to appoint a tribunal composed of three men, one to be selected by Parliament, because Parliament must give its approval in general terms. The Government admits that. The railway is to appoint another member of the tribunal, and then an umpire is to be selected. That enables those arbitrators, in the very terms of the reference, to consider the whole situation, not only from the standpoint of evidence, but from their own judgment with relation to it. My hon. friend from Pictou raised a question which seemed to me to be of some importance, because he said: "How can these arbitrators arrive at conclusions based upon their own judgment?" I remembered, then, a case in which I had been interested that came from Edmonton, McKinnon vs. the Calgary and Edmonton railway. That case was carried to the Supreme Court of Canada, and is reported in 43 Supreme Court Reports, page 379. I will read a short summary of the judgments.

In expropriation proceedings under the Railway Act, the arbitrators in making their award stated that they had not found the expert evidence a valuable factor in assisting them in their conclusions, and that, after viewing the property in question they had reached their conclusion—

These were their words:

"Reasoning from their own judgment, and a few actual facts in evidence."

Hon. gentlemen will observe that this Bill uses the words "their own judgment". Those are the exact words the Supreme Court of Canada had to deal with. In the first instance, the Supreme Court of Alberta set aside the award, and increased the compensation, but the Supreme Court of Canada held that the award should be sustained, as it was not apparent from the language that the arbitrators proceeded without proper consideration of the evidence adduced, or upon what was not properly evidence. Therefore, they sustained the award. I, therefore, take it that the creation of such a tribunal of referees as I have stated would better safeguard the interests of the Canadian people, because there are few men that could be selected in Canada that, in the exercise of their own judgment, have not some knowledge of the operations of the gentlemen who own this system. I say that, under those circumstances, the selection of a tribunal to arbitrate value, rather than submission to a court, will bring about a result that, in my judgment, will be better in keeping with the desire of the Canadian people.

But let us go a step further. There is provision for an appeal, and the appeal is subject to there being a difference of opin-

tion among the arbitrators. Well, why appoint an umpire, if you are going to appeal in case of disagreement? Usually, the right of appeal is not dependent upon there being a lack of unanimity, but in this case the right of appeal has been said to be subject to there being a lack of unanimity on the part of the referees or arbitrators. I am not disposed to question that. It seems to me that is a very excellent provision, but if you are going to appeal to the Supreme Court of Canada upon a question of law and fact, it is also proper that the interests of this country should be very well safeguarded with respect to those three words "their own judgment." To that extent, exceeding care must be exercised before the tribunal with reference to that phase of it. If an appeal to the Supreme Court of Canada is granted, in my judgment there should be the right of the Crown—which I believe was the subject of a paragraph in an international arbitration on one occasion—that if the amount of the award is, in the opinion of the Crown, too large, it may repudiate the award. Some such safeguard might well be thrown about this matter, in order to fix a maximum, to give to the Crown the right, in the event of there being a difference of opinion, of declining to take up the award. It is always open to a party to say whether or not he shall take up an award; people refuse very frequently to take up awards and pay the costs. There is no reason why such a provision should not be inserted in this Bill.

These are minor matters, but I submit there is one matter which is the crux of this whole section, with relation to arbitration. What is to be arbitrated? If the House will be good enough to observe the words of the section, they are as follows:

> The said arbitrators shall determine the value of the 600,000 shares.

That raises a question of paramount importance. How is "value" to be determined? I listened to the remarks of my hon. friends opposite, and I listened to the arguments of the hon. members on this side of the House, but I received little or no light with reference to it. I read the statement of Professor Swain, in the findings of the Drayton-Acworth Commission, but with little assistance. Now, what is to be determined is the value of the shares. Let us ask ourselves first of all, what legal principles guide and determine value? The first valuation of a railway line on the American continent was in the state of Michigan, with respect to taxation matters. The state of Wisconsin then took up the question and, as this House knows, the Congress of the United States provided for the creation of a tribunal to determine the physical value of the railways of the U ited States, and they fixed how that work should be done. The State of Kansas provided how the work should be done with relation to the railways in that state, and I am going to direct the attention of this House, for a moment, to the particular observation quoted from the report of Professor Swain, by the hon. Minister of Finance. The other day that hon. minister referred to Professor Swain's report, and pointed out the difficulties that eminent gentleman mentioned in determining what constituted value. Value is one of the most difficult things in the world to determine with relation to a railway, and if this Bill goes through this House as it now stands, there is no reason, indeed, why the expectations of my hon. friend from Pictou should not be realized, and that the owners of the Canadian Northern should not get $100,000,000. Sir William Mackenzie stated the other day that the stock was worth par, and I have no hesitation in saying that, in the language of this section as it reads without limitation or restriction, I can show in fifteen minutes that they could get $100,000,000. Let us turn to what Professor Swain said with respect to value. On page 5 of his report, he says:

> To determine this physical value there are two, and only two, available bases:—
> (1) The original cost, or original cost less depreciation, according to circumstances;
> (2) The cost of reproducing the property at or about the time the valuation is made, or, the cost of reproduction new less depreciation, according to circumstances.

There are the two methods: Which one of them is to be adopted in this case? Wil' the basis of the valuation be the reproductive cost now less depreciation, or will it be the initial cost? The authorities in England and in the United States, and the authorities who have written on the subject are conclusive that what Professor Swain says on this point is absolutely correct in law. There are only two bases upon which the value should be determined: the original cost less depreciation, according to the circumstances, and the cost of reproducing the property at or about the time the valuation is made. If the eminent counsel representing the owners and pledgees of the stock appear before that tribunal, they will contend that valuation should be made upon the basis of the reproductive cost of

the road to-day, less depreciation. Does this House, does the minister, for one single moment realize what that would mean? The reproductive cost of the road in war time, having regard to present values, would be a sum that would stagger the House. To safeguard the interests of the people, a clause should be placed in this legislation fixing the principle upon which this arbitration shall be held. I protest most vigorously against leaving the words of the clauses as they are, and open to such a construction. It cannot be denied that Professor Swain speaks with authority. These gentlemen, therefore, representing the owners and pledgees of the stock would come before the tribunal and pile up, day after day, evidence respecting the present reproductive cost of the property, showing the cost of structures, grades, fencing, bridges, cars and power. Let me give the House some little evidence with respect to that. I am told by authorities that no man in this House would question that the cost of labour in connection with putting in the dump alone—the grade—would be from 18 to 40 p.c. more in the year of grace 1917 than it was in pre-war times. It may be suggested that 40 per cent is an extreme figure, but those who have to do with the matter tell me that in some sections of the country labour is so scarce that it would cost 40 per cent more to get the necessary labour than it would have cost in 1913-14.

Now let us come to the question of equipment. After all what is a railroad? A railroad supplies, first, a road upon which vehicles travel; second, the vehicles upon or in which passengers and traffic are handled, and, third, an organization for the collection of the traffic and for the administration of the company's affairs. Upon the first point, the question of the road itself, my information leads me to believe that it would cost from 18 to 40 per cent more to lay a grade now than it did in pre-war times; and the cost of steel structures would be twice as much now as it was then.

Let us come to the facilities provided for the carrying of passengers by rail. I have taken the trouble to get figures as to actual cost. A passenger Pacific type engine in 1914 cost $23,350; last March the cost was $47,300. The Mikado type increased in cost from $39,250 to $48,750 in one year, from 1916 to 1917. The cost of the Santa Fe locomotive, freight type, has increased in one year $5,000. A shunting engine in June 1914 cost $16,600; to-day the cost is $30,000. A freight consolidated engine in 1914 cost $22,500; now the price is $40,000. An ordinary day coach in October, 1914, under a pre-war contract, cost $16,250; the present cost is $30,000. In 1914 the cost of steel under-frame dining cars and sleeping cars was $30,000; to-day the cost is $45,000. A steel frame box car in 1914 cost only $1,095; to-day the cost is $2,417. The following are prices paid before the war for the type of cars named:

	Each.
Wooden flat	$ 900
Wooden box	1,070
Steel platform cars	850
Steel tank cars	2,695
Van	1,880
Refrigerator	2,000
Steel pump gondolas	1,346
Otis dump coal car	1,530
Hart convertible steel car	1,200

To-day the prices are substantially from 50 to 100 per cent greater; in most cases the cost has doubled. For instance, for a 100-ton wrecking crane, such as is used on big roads, the cost in 1914 was $18,905; to-day the price is $30,130.

Now we come to rails. In 1914, 80-lb. rails cost $31.25 a ton; to-day the price is $60—if you can get them at all. In 1914, ties, No. 1, cost 52 cents; now they cost 65; ties, No. 2, cost 44 cents in 1914; now they cost 55. Angle bars, 100-lb., that cost $1.94 in 1914, now cost $3.75. So that if evidence is laid before the tribunal of the reproductive cost new of that property, the gentlemen representing the owners and pledgees will build up a cost of perhaps $600,000,000 or $700,000,000, and according to the arguments now being adduced, the difference between that sum and the bonded debt will represent the equity in these shares. It is no wonder that Sir William Mackenzie, with that Bill before him, is talking about one hundred cents on the dollar for his shares. I submit in the utmost seriousness to the Minister of Finance that he ought to provide that present reproductive cost shall not be the basis of the arbitration in respect of this property. If it is to be reproductive value, then the value must be taken upon pre-war prices, as Professor Swain says in his report. Here is a singular circumstance: A man devotes a great deal of time to a certain matter; he makes a report; he says: I have arrived at certain conclusions as to the value of this property; I have made calculations upon pre-war prices. Here are the names of my engineers; here are my values. Upon that Messrs. Drayton and Acworth make a majority report and Mr. Smith makes a minority report. But they overlook one of the paragraphs in Professor

Swain's report; certain land values are not taken into consideration at all. That is very much to be regretted, for it throws doubt upon the authority of the whole report. But Professor Swain's report is valuable to the extent that he uses pre-war prices in fixing the reproductive value. Unless this legislation restricts the fixing of the value to pre-war prices on a reproductive value basis, in my judgment the door will be left open to almost any kind of decision in the world. Hon. gentlemen know that the $56,000,000 of equipment, after allowing for depreciation, could be sold to-day for much more than that amount. But that is all Professor Swain says it is worth, making allowance for pre-war prices and for depreciation.

I have some very interesting figures in regard to this matter, but I am sure that hon. gentlemen do not want me to take up the time of the House by reading them all. In 1912 the State of Kansas valued, for taxation purposes, the Union Pacific line running through that state. I have here the figures of every item with respect to it, and it may surprise the House to know how much that magnificently equipped Union Pacific line with splendid turn-outs, signals, 85-pound rails, first class ties and ballast, had taken from it for the purpose of determining the value. They took the cost of reproduction new and deducted from that the depreciation, and in that case the allowance was 75 per cent of the reproductive value as being the present value of that road. In another state lower figures were arrived at. I have here two sets of figures, but as no doubt this House does not want to listen to them, I will not read them; but every item, bridges, equipment, and so on, are carefully considered, just as those items were considered by Professor Swain in his report. It is essential, if the rights of the Canadian people are to be protected—and those rights, by virtue of the Statute of 1914, were given, not to a Government, although a Government must, under the constitution, initiate action, but to Parliament—that the Minister of Finance should leave the widest discretion to the committee so that we may surround this legislation with such safeguards as may be necessary to indicate the will of this Parliament and to prevent the will of the people being thwarted by cunningly-devised legislation—and Messrs. Mackenzie and Mann are past masters in securing by cunningly-devised words what will suit them.

[Mr. R. B. Bennett.]

I appeal to the Minister of Finance to prevent this wrong being done to the Canadian people, to prevent the cost now less the depreciation being taken, for the Canadian Northern Railway company is, as we all know, owing to its limited resources, under an enormous deferred maintenance charge, and is not kept up to the same standard of efficiency as is to be found on the Canadian Pacific to-day. I believe the Railway Commission estimated that the relative cost upon the Canadian Northern and the Canadian Pacific, with relation to ordinary maintenance, is about one to three; but every time you neglect to supply a new rail for one that is worn and a new tie for one that is broken, my hon. friend from South Renfrew (Mr. Graham) knows that you have an accumulation of deferred maintenance charges, and those deferred maintenance charges upon the Canadian Northern have become exceedingly large. I therefore, urge that this Parliament be permitted to exercise the widest possible latitude in surrounding this legislation with those safeguards which will ensure that the referees, in determining the value, will not have themselves confronted with a point of law which will go to the Supreme Court of Canada or to the Privy Council and be decided adversely to the people of Canada.

Anyway, this House has not yet been told what it is buying. There lies the difficulty that I am experiencing. Last year, as hon. members will remember, I asked that a report be made that would enable us to determine, with some degree of certainty, what we were buying. This last statement that has been put on the Table by the Minister of Finance is a most illuminating document. I go out to the province of British Columbia and I find some constructed lines and some lines the bonds for which are sold, and yet in regard to which nothing has been done except to buy the right of way. Has this House been told what our obligations are in British Columbia? We have assumed these obligations. The Canadian Northern is the owner of Canadian Northern Pacific stock. That will now belong to us. If you take the line from Kamloops to the Okanagan valley, a large quantity of property has been acquired. As regards British Columbia we find that there is $4,725,945.51 in the banks, and the total liabilities with respect to western lines uncompleted is only $1.612,000, so that there must be in the banks of British Columbia a large sum of money arising from the sale of securities that has to be used for the construction of

terminals and lines which we are bound to construct. I should like to see before this House a statement with respect to every province of this Confederation in regard to the obligations of the Canadian Northern, a full statement, not so much of the liabilities in money, because those can be easily measured, but of the construction obligations, so that we might know what we are buying when we are acquiring the ownership of this system. The commission, however, did not deal with that. In the province of Alberta, we find that, for seven years or more, there has been lying in the banks money from the proceeds of the sale of securities for the construction of lines that are not yet built. Where are they? This House should know that. It does not know that, it knows, only in the most general way, what sums of money are lying in the bank that may be utilized for the purpose of constructing those roads. We must remember that the Privy Council has decided that that money, once it is raised on those bonds for the construction of a specific piece of road, cannot possibly be diverted to the construction of another piece. It must be used for those specific lines, and in some cases, existing facilities will be duplicated because, as the manager has told me, the pressure by the politicians was so strong that the company had to construct duplicate lines. The money is there; the lines must be constructed; we must assume the obligations. Those facts must be brought to the attention of the arbitrators when the matter is being dealt with. There must, therefore, be added to this measure a restriction and a limitation as to the method that is to be pursued with relation to the arbitration, and that the whole matter must be made subject to the legislation of 1914. My hon. friend asks: Why subject to the legislation of 1914? My answer is this: It will be remembered that the Canadian Northern Railway Company, Mackenzie, Mann and Company, Limited, Sir William Mackenzie and Sir Donald Mann entered into a binding agreement with His Majesty the King which is set out on pages 17, 18, 19 and 20 of chapter 20 of the statutes of 1914. One of the provisions of that agreement is:

That the contractors—

That is Mackenzie, Mann and Company, Limited.

—will not at any time make or seek to enforce any claim for contractors' profits, commissions or otherwise, against the Canadian Northern, or against any of the constituent or subsidiary companies upon or in respect of any express or implied contract—

And so on.

—or for commission or remuneration for services in financing, or for any other services heretofore rendered, and all such claims are hereby by them and each of them absolutely renounced and released.

That is a vital thing to consider in the arbitration, because there is nothing laid down more clearly in the books than that the cost of financing, the cost of promotion, brokers' commission, traffic development, are all matters that have to be considered in determining what the value of a property may be. This legislation which we are about to pass must be made subject in every respect to the terms and provisions of chapter 20 of the statute of 1914, so as to prevent the possibility of the difficulty arising to which I have alluded.

There are just two or three further observations I have to make, and I will then resume my seat because I have trespassed too much upon the time of the House. My submission is as follows:

1. We should not enter upon the project of acquiring shares by the method mentioned in the Bill which involves the introduction into the transaction of third parties who may be pledgees of stock, and therefore,

2. We should utilize the machinery provided by chapter 20 of the statute of 1914 at once and take possession of the physical assets or property as mortgagees in possession.

3. Parliament in the exercise of the powers given should, in appropriate terms, refer to arbitration the determination of the value of the equity of redemption represented by the balance of the capital stock of $100,000,000.

4. We should provide that in making the award regard should be had, if reproduction costs are considered, to pre-war prices only, and the submission should be made subject to the legislation of 1914.

There are other matters to which I might direct attention, but I have already trespassed entirely too long on the time of the House. In conclusion, I would entreat my hon. friend the Minister of Finance to safeguard this legislation by eliminating the pledgees and the third parties, and provide for the utilization of existing machinery and for the prevention of a wrong being done to the Canadian people by paying money to these men that should not be paid to them.

There are three things these men have done to this country. First, they have exploited the credit of the provinces to their detriment and, in some cases, to their ruin. Second, they have brought about an inflation of values by the interests they have created in places like the Model City and Port Mann, which has brought about the financial ruin of many a small holder in the old land and in this. And lastly, they have corrupted the public life of this country. They have corrupted it alike in the provinces and in the Dominion, and if the members on both sides of the House were to tell the tale of contributions that have been made to party funds, it would indeed be an enlightening and a revealing story. But I hope this will put an end to all that sort of thing. Even before the ink was dry upon the certificate of character that Sir Henry Drayton wrote for these men, one of the directors of this very road was seducing a noble young man who had gone out to do service for his country by a gift of $15,000—and that man is destroyed. That is what happened in British Columbia, and what happened in that province in relation to this system was happening also in relation to the Pacific Great Eastern. It is true that all the money went into the cost of the road; it can all be charged up to items in the ledger. But even if it cost us millions of dollars to be rid of these men in the public life of this country, I say it would be cheap for the sake of the public life of this Dominion in the midst of this great war.

But I do submit that, however great may be the millions that may accrue to the body politic, there is no excuse or reason why we should not utilize to our utmost extent the powers that we have to circumscribe and limit to the best of our ability the sums of money that may be paid to these men. I again appeal to the Opposition to once more agree that these men shall have an opportunity of presenting their case to these referees, and I appeal at the same time to the Minister of Finance to permit in committee these restrictions to be imposed on this legislation so as to prevent this country from ever again becoming, as it has been too frequently in times past, the victim of the rapacity and greed of these men.

Hon. ARTHUR MEIGHEN (Solicitor General): Mr. Speaker, some three years ago I had to do intimately with legislation which concerned the subject now before the House. That legislation has had the effect of making the problem with which we are now faced perhaps not a less comprehensive but a much less intricate one. By that legislation, what formerly was a heterogeneous and more or less disconnected system was gathered together into one definite entity, and the relations of the Government of Canada to that system were once and for all clearly defined. The problem that now confronts us is of equal magnitude with that which faced us then. Its magnitude, however, we do not grasp as we did in those days, because we are now in the presence of events which infinitely transcend the difficulties of that time in relation to railways or anything else. The problem now before us is great all the same. While I have been able to give some attention to the solution of the question, I regret that I have not been able to attend the sittings of the House and to follow the debate as it has proceeded, so as to enable me to reply to all that has been urged against the policy enunciated in this Bill. I have, however, had the pleasure of listening to the remarks of the hon. member for Calgary (Mr. R. B. Bennett). With much of what he has stated I am in cordial agreement, and if he will permit me, I compliment him that in the main he has approached the subject fairly. In so far as I shall place my views in conflict with his, it will be in an endeavour to show that the objections he urges against this course, as opposed to the course that he advises, are objections that apply not with great force to the Bill that is before the House, but that would apply in an infinitely greater degree to the course which he himself recommends.

He has made complaint because we include among those who are to be made parties to the agreement, and who will consequently be bound by its provisions—the agreement which is to follow this Bill and detail the conditions upon which both parties are to proceed to the arbitration—the pledgees as well as the owners of the stock. The pledgees were included simply because they are, in an equitable sense, partial owners of the stock. The legal owners of the stock are those who are concerned with its value, and although the pledgees are only concerned to the extent of what they have in the stock, they nevertheless have an ownership in it. They have an interest in it, perhaps an interest beyond its value. I do not see any peril in including the pledgees, because for the life of me I cannot understand how the mere extent of any interest they may have in the stock has anything at all to do with the determination of the value of the stock.

Mr. R. B. BENNETT: I agree that it should not, but I say that it will.

Mr. MEIGHEN: I am willing to trust to the arbitrators, and particularly to the Government arbitrator, the Chief Justice of Ontario. But apart from that, no matter what any bank or pledgee may have loaned against the stock, that is no element in the determination of the value of the stock. But it was thought well that inasmuch as they had an interest in the stock, they should be made, with the owners, parties to the agreement, so that all would go before the arbitration board on an equal footing and have a right to be heard. The pledgees may have advanced $1,000,000, $10,000,000, $20,000,000 or $100,000,000. That may have been their idea of a proper security at the time they advanced the money, but it has no relation whatever at this stage as to what the actual value of the stock may be. I agree with the hon. member for Calgary that an agreement with the owners of the stock would be an agreement whereby we might determine the value of the stock without reference to anybody else. But it seems to me that it is a little better and a little fairer that all who are interested in this matter should become parties to this agreement, and have the opportunity of going before the Arbitration Board and presenting such evidence that is evidence, not evidence that is no evidence at all; evidence that goes to show value, not evidence that goes to show what they at one time thought they might safely loan against the stock.

The hon. member for Calgary proceeded to refer to some income convertible bonds which occupy a relationship to this company different from the other debentures held against the road.

It is a fact, as the hon. member for Calgary says, that there exists outstanding $25,000,000 of bonds which are a charge upon the road, and that the holders of those $25,000,000 of bonds are entitled to interest on their bonds only if the earnings of the road warrant it. It is further provided in the body of the mortgage deed which secures these bonds, that the holders thereof may within a limited time exchange the bonds for common stock of the company, dollar for dollar. It is quite true that if this transaction goes through our becoming owners instead of Mackenzie and Mann does not in any way affect the position of the holders of the income convertible bonds. They occupy exactly the same relationship to the company before this transaction, as they will occupy when the transaction is completed. Consequently, they would be entitled before the first day of January, 1919, if my hon. friend's date is correct, to go to the Canadian Northern Railway Company, which will still exist, and say: "We want shares of stock in lieu of our income convertible bonds." It may be wise to take into consideration in committee whether or not that right should be abolished. I do not consider it a very substantial right. I do not think there is the faintest possibility of their exercising it. What they have now is a bond against the railway, in preference to all the stock, and I do not think they will consider that under government ownership and operation, no matter what the Government may be, that stock is going to be of greater value than $25,000,000 of bonds before the first day of January, 1919. I do not think any man in this country, or in any country on earth, will before the first day of January, 1919, exchange $25,000,000 bonds of that road for $25,000.000 of the common stock.

Mr. R. B. BENNETT: It is not $25,000,000 of bonds of the road; it is $25,000,000 of claim against income as earned.

Mr. MEIGHEN: But, it is secured on the assets of the road. They can only get dividends if the dividends are earned. The bonds are secured on the assets of the road in this way: If the road should ever go into liquidation, or be sold, they would be entitled to rank in their proper order against the proceeds of the sale. That is the security they would lose in the event of a change, so that I would regard the possibility of such an exchange within a year and a quarter as being probably non-existent.

Mr. R. B. BENNETT: I hope my hon. friend realizes my objection was two-fold. My second point was that it makes these men partners with us in the enterprise.

Mr. MEIGHEN: If there were such a possibility, it might be well for us to consider in committee the wisdom of abolishing that right, but I do not think there is any likely, or even imaginable, possibility of an exchange taking place.

Mr. MIDDLEBRO: Would not that be an element which would go to decrease the value of the stock?

Mr. MEIGHEN: It would be an element which would go before the board of arbitration in regard to the value of the stock. However, it seems to me there are phases worthy of much more consideration than

the possibility of the holders of the mortgage bonds of the Canadian Northern exchanging them for common stock within the next year and four months.

My hon. friend also referred to the wisdom of giving the Crown the right to refuse to take up the award, by way of a precaution against the possibility of an award that the Crown in its wisdom, or as advised, would deem to be extortionate. I have the most profound respect for my hon. friend's legal opinion, and I understood him to say that it is a common law right of the Crown so to refuse. Whether that be so or not, I think, speaking individually, there is something in the suggestion made by the hon. member for Calgary. It may be a wise precaution that the Crown should reserve the right to refuse to take up an award, should it prove extortionate. Of course, this is surrounded by some difficulties. At the same time, it seems to be worthy of consideration when we come to review the Bill in committee.

My hon. friend from Calgary proceeded to discuss the whole question of value as it would come before the board of arbitrators, and he seemed to feel that in the determination of value which will come before the board, the principles that will obtain before the tribunal to enable them to fix the value are such that there is grave possibility of a disproportionately large amount being allowed under the exceptional conditions existing at this time. He argues that the two principles upon which they can act are as stated by Professor Swain in his report, first, the actual cost of the property to be taken, less the liabilities against it, and, secondly, its reproduction cost, less what may be the liability against it. My hon. friend goes on to show that the reproduction of the physical properties of the company to-day would cost from 50 per cent to 100 per cent more than they cost before the war, and more than they would cost in normal times, and that if that principle is followed we are going to be condemned to a disproportionate price under the submission to arbitration. He also says that if the cost is to be taken it would be unfair to the country, because the cost of the road as built might far transcend what we ought to pay. I want to draw the attention of the hon. member for Calgary to the fact that we are not expropriating this road at all—let me repeat that—we are not expropriating the road. If we were expropriating it, as recommended by the hon. member for St. John, and as urged upon us by the hon. member for Welland a few days ago—I do not know whether he has changed his opinion since—if we were to expropriate this road, in my judgment the hon. member for Calgary would be quite right, and we would be bound by the principles laid down by Professor Swain in his report. That, however, is just the course we are not pursuing. We are taking the common stock of the company. Would my hon. friend from Calgary say, if the first principle is applied, that the Government of Canada or the people of Canada have anything to fear?

Mr. R. B. BENNETT: Since my hon. friend has asked me, I say, yes. The stock having no value as a commercial enterprise, we must have reference back to the physical assets it represents, and I fear the trouble to which I directed attention will arise.

Mr. MEIGHEN: My hon. friend sees the point now. We are taking the stock. We are not taking the physical assets of the company at all. If the first principle, namely, that what is paid for that stock is one of the determining principles of value, then of all the hon. gentlemen in this House, the hon. member for Calgary should be the last to fear, because he assured the House three years ago that these gentlemen paid nothing at all for the stock. If that principle is to prevail, we will get the stock for nothing, and the Government will be in possession of the $60,000,000 of stock free and without price.

Let us proceed to the second principle, the application of which he fears—that the reproduction cost, less liabilities, ought to be a determining factor. That principle has little or no application, when we are expropriating no physical property. No matter what may have been its application in regard to physical property it can have no direct application at all in relation to the common stock. That is why we take the common stock, and that is why we do not expropriate as recommended by the hon. member for St. John (Mr. Pugsley) and the hon. member for Welland (Mr. German).

If we were to proceed in that way, as I think was countenanced in some measure by the hon. member for Calgary (Mr. R. B. Bennett) himself, in his later remarks, then these very principles would redound against us and would result in a tremendous payment by this country over and above what there is any possibility of our paying by the method pursued. What the hon.

member for Calgary argued is a forcible and destructive argument against the whole principle of expropriation as advocated by certain hon. gentlemen opposite. It closes the door against following any such course as they adopt, and it shows plainly to the House that the proper course is to take the stock and not the physical assets, because the value of the stock is determined by other factors altogether, outside and above the factors which the hon. member for Calgary has explained this afternoon. It may be, as I am just reminded by the hon. member for Calgary, that in determining the value of the stock, the reproduction value of the road may be considered, that the value of the road as it stands to-day or as it would cost to reproduce it to-day, may be an element that may be of assistance to the arbitration board. No one would suggest that that should be a determining element or that the value that we should pay for that stock should be what it would cost to reproduce the Canadian Northern Railway, less the liabilities against it. Why, there are companies in Canada to-day, as there have always been, and as there are in every country, who have a surplus of assets over liabilities in huge amounts, but who, by virtue of conditions which confront them, cannot pay a dividend on their stock, and could not sell their stock for anything at all. If we expropriate the stock we expropriate the stock, and every element of value and everything that goes to reduce the value of that stock must be considered by the arbitration board that is to determine what we shall pay.

My remarks or those of any hon. member in this regard will in no way bind the tribunal. I apprehend that, at all events, the Government representative on that tribunal will know the principles by which he will be bound, without dictation from us. But it would seem very apparent to me that while what is suggested by the hon. member for Calgary (Mr. R. B. Bennett) may be taken into account, there must also be taken into account the fact that there is no earning power in this stock, at the present time at least, and that when stock is put on the market it is the earning power that counts rather than the surplus of assets over liabilities. Furthermore, I should expect that the board of arbitration would take into account the fact that considerable financial difficulties are likely to surround this company before the stock can have an earning power, and while no doubt it would appear that the prospective earning power would be a factor, the present earning power would be the great factor in determining the value. Indeed everything would be a factor which would be in the mind of an ordinarily shrewd investor who himself desired to buy the stock. Everything that would weigh in the market as to the value of the stock would weigh in the minds of the arbitrators in determining what the country should pay.

If there is one principle which is common to all arbitrations, if there is one principle that, better than another, expresses what is before an arbitration board or an expropriation tribunal, it is that the value of what is to be condemned is the value of that property in a fair and normal market. Consequently the proper way to approach this thing is for us to establish a tribunal which will take the value, not of the physical assets and deduct from that the liabilities, as would be the case in expropriation, but to take the stock itself and to decide what, in a fair and normal market, all things considered the potential earning power, the present earning power, the assets behind the road, the liabilities behind the road, all things considered, would be fair and reasonable for this country to pay. That is the course we are pursuing at the present time.

It appears to me that if we were to take the very course recommended by the hon. member for Calgary (Mr. R. B. Bennett) at the close of his address, then the arguments that he urges against this Bill, which are entirely ineffective as applied to it, would come back on his own programme with an utterly destructive force, and would put it completely out of consideration.

The chief contention against this measure on the part of some hon. gentlemen opposite is that we are not following the legislation of 1914, and that if we pursued and followed that legislation, we should now simply extinguish the equity of redemption by our own arbitrary act and come into the possession of the road. I propose to address myself to that contention for a moment. In the first place, it is generally conceded that we must deal with the stock or deal with the equity of redemption. It is very generally conceded that we cannot permit liquidation at this time, and I do not want to labour that point any longer. It is further conceded, although, in this some hon. members opposite do not concur, that we should not continue the giving out of loans as we did in previous years. I am

certainly interested to hear the hon. members, especially the member for Edmonton (Mr. Oliver), at this stage. He has never been known to agree with the Government on any course whatsoever. No matter what course we pursue he is always able to come immediately to the conclusion that it is the worse possible course to adopt; not only that, but that it is the most outrageous which we ever adopted in the whole course of our history, and each one is worse than the one before. That superlative language he applies to this Bill, and he says that, speaking for himself, he would not take over this company but would continue the loans that we made last year. He would do with the Canadian Northern railway to-day exactly what we are doing with the Grand Trunk Pacific, namely make another loan. It was only a year ago, the last time that we pursued the course to which he now has reverted, that he told us it was the diametrically wrong course to take, that we were throwing $23,000,000 at what he called broken backed companies, and that the time had come then to take over the road and for the Government to come into possession.

What is to be done in the face of an opposition that converts its policy, on a few days' or weeks' or months' notice, simply to be opposed to whatever may be the policy of the Government at the time?

I was amused also at the hon. member for St. John (Mr. Pugsley). It was shown to him that only three years ago there was moved by the right hon. leader of the Opposition (Sir Wilfrid Laurier), and seconded by himself, a resolution that the proper course to take then, before we gave any aid whatever, was to make it a condition that we might take this stock and arbitrate on its value, and that there should be a maximum of $30,000,000 fixed. When that was brought home to him in direct contradiction to the policy he advocated to-day he said: Yes, but three or four days before that, on the second reading, I moved something else altogether; I moved a long amendment to the second reading providing for a great many conditions, and this motion on the third reading should be read in the light of the motion on the second reading. And the reason he gave for the change in the motion as moved by the leader of the Opposition and seconded by himself was that it had to be changed in order to comply with the rules of Parliament; in a word, that he could not move the old amendment to the third reading as it would be ruled out of order, and the reason they changed their policy was that they had to change it to keep straight with the rules of the House. That is the newest argument I ever heard, and I commend the ingenuity of the hon. member for St. John. I invite him to apply to all these changing attitudes on the part of the Opposition, the explanation that they have to change their policy in order to comply with the rules of the House of Commons.

We had first, three years ago, a motion by the hon. gentleman from Middlesex to wait until the following session, though he admitted that that meant liquidation. Next we had a motion to refer it to arbitration. Then, immediately this Bill was brought down in this House, we had the pronouncement by three or four hon. gentlemen opposite that it should be dealt with by expropriation before the Exchequer Court, and we now have the amendment by the hon. gentleman from Renfrew (Mr. Graham) that we should abandon the first, second and third propositions, and resort to confiscation. First, procrastination, then, arbitration, then expropriation, and lastly confiscation. Such have been the policies of the hon. gentlemen opposite with regard to this railway: We did not provide for confiscation in 1914, and I hope the Parliament of Canada will never provide for confiscation, so long as Canada is a country. We provided in 1914, as one condition of the assistance we gave to the Canadian Northern, that they should place themselves within the power of this Parliament, and should submit their equity of redemption to the disposition of this Parliament. The clearly expressed meaning of section 24 of this Bill is that the equity of redemption, by consent of the company, is disposable by the Parliament of Canada, on such terms and conditions as Parliament should see fit. Now, we have to determine what these terms and conditions shall be.

It is true we have power to confiscate, but I ask, what principle should govern this Government? I answer that the principles that should govern us in disposing of the equity of redemption are the clear principles of equity and honour, and not the principle of confiscation.

It has been argued that, by the legislation of 1914, as interpreted on behalf of the Government in this House, automatically, upon default, the equity of redemption vanished by Order in Council. Where is such a provision to be found in that legislation, and who said it on the floor of the House? Certainly I never said it. I invite hon.

gentlemen, and particularly the hon. member from Pictou (Mr. Macdonald), to point to any sentence I uttered on that occasion which, by any possibility, could be so interpreted.

We took no such power. We made no contract to automatically extinguish the equity of redemption. Is that done in ordinary life? When payment on a mortgage is in default, is the mortgagee given power to say that the equity of redemption is at an end, and that he can extinguish it or appropriate it to himself? Is that Common Law? No, the mortgagee is compelled, by the courts and legislation of our country, to determine the value of the equity of redemption, and to see that the mortgagor gets that value. How is the value determined? It is determined by compelling the mortgagee to put the equity of redemption up for public auction, and the highest bidder becomes the owner of the equity of redemption. In ordinary life that is determined in a fair and reasonable way, by so disposing of the equity of redemption. Is that method available to us to-day? Should we have applied the method ordinarily applied in disposing of real and personal property? Will anybody suggest that we should have done it? It might have been done, and if it were what would be the result? Who in all probability would have been the highest bidder for this stock, which represents the equity of redemption of this company, if the Government had put it up for sale at public auction in the open markets of the world, even under conditions such as the present? I do not hear any answer, but I know what is in the back of the head of the hon. gentleman from Pictou (Mr. Macdonald). The answer would be: the Canadian Pacific Railway. And why? Because the Canadian Pacific has more to gain by the purchase of that stock and the stock would have been worth more to them than to any other individual or company upon earth. The fair and inevitable presumption is that a resort to the method suggested would have landed that stock in the possession of the Canadian Pacific Railway. Could this Government ever have pursued that course? Would that have been in the interest of Canada? Do hon. gentlemen opposite think that should have been done? We had the power to dispose of that stock and equity of redemption as we liked by the legislation of 1914. That course was closed to us by the ordinary principles of national prudence, because this country would not now be a party to the amalgamation of the Canadian Northern with the Canadian Pacific. Consequently, some other method had to be adopted, and I appeal to the fairness of hon. gentlemen everywhere in this House and out of it, and I ask would it have been right, or decent, or honest, for this country to have stood between the holders of that stock and the purchasers of that stock, denied them a sale, and said to them: Your stock is of no value and we will appropriate it. That is confiscation, and that is the policy—and I hope the last policy—of hon. gentlemen opposite. "Oh," they say, "you have a commission, and that commission says the value of the stock is non-existant." That is the Drayton-Acworth Commission, which was appointed to investigate the whole of the affairs of three railways in this country, and to recommend to the Government what they deemed to be the better course to pursue in regard to those roads. It was not a commission appointed to determine the value of anything for purposes of appropriation. It was not a commission before whom the owners of that stock could be heard. Who ever heard, in any Parliament in any country on earth, of the value of property being determined without the owners being heard at all? Who ever heard of resorting to the report of an ex parte commission to determine the value of property in this or any other land? But the hon. gentleman from Renfrew (Mr. Graham) is in a most remarkable position. He says: I do not care whether this Drayton-Acworth report is right or wrong; it is contended by the Canadian Northern—and that has been referred to by the Minister of Finance—that there are errors in the estimation of the assets and of the liabilities of the company, but I do not know whether the Canadian Northern is right or wrong, or whether the Drayton-Acworth report is false or true. He says furthermore: I do not care, because the amendment which I have moved does not depend on the truth or falsity of the Drayton-Acworth report. But the fact is that his amendment asks this House to decide that because the Drayton-Acworth report declares the equity non-existent, therefore it has no value, and we should confiscate it. So the hon. gentleman from Renfrew is in the position before this House and the country of saying, "On the face of that report, which may be true or false—and I do not care which—I ask this country to confiscate the property, and, without compensating them in any

way, make it the property of this Government."

That is not the course that tells in the end for the advantage of a nation. We are to be a borrowing country for years to come. We will require to borrow immediately after the war, and from the present time until the war ends. Are we going to make this a borrowing country by confiscating property? This property is not all held by Mackenzie and Mann, and never was, so far as I know. I am not on record as ever saying that Mackenzie and Mann owned all this stock at any time. I do not know exactly what they owned in 1914, nor exactly what they own now, but in 1914 they controlled the stock, and they control the stock to-day. They have, I understand, approximately 51 per cent of the stock, and the Government of Canada has 40 per cent of the stock, so that approximately 9 per cent of the stock is held outside. In many cases considerable sums were paid for the stock; I do not know what has been paid for it. I do know, however, that a substantial portion of the nine per cent is held overseas; is held by persons over whom Mackenzie and Mann have no control whatever. Are we, in view of the report of a commission before whom neither Mackenzie and Mann nor any of these stockholders were heard as to the value; before whom these men overseas never appeared and never could appear; are we ruthlessly to gather in their property and make it our own without paying a dollar for it? That is the amendment to which the leader of the Opposition, I suppose, presumes to commit his party. I do not know what he will have to say for himself in the presence of the people of Canada. Did he ever in the course of his administration—to his honour, be it said, he never did— on the report of any ex parte commission, confiscate the property of any man? Why does he offer to do so to-day? I will tell you, Mr. Speaker, what is really at the bottom of this resolution. Illogical it is; confiscatory it is; damaging it is to this country; utterly indefensible it is from every point of view. It is introduced into this House simply because a certain convention in the city of Winnipeg—a convention by no means of happy memory; a convention that many hon. gentlemen in this House will have reason to be glad to forget—in the haste of the moment decided that this was the course to take; that this was one of the ways to line the convention up against the Government. That is why this amendment is introduced and this Parliament solemnly asked to vote for it. I should like to see the communications that passed between the hon. member for Edmonton (Mr. Oliver) and the leader of the Opposition with regard to this matter—perhaps they would account for the remarkable attitude of the member for Edmonton in respect to this amendment. A year ago he said: We ought to take over the property; to-day he says that we ought to continue to make loans, that we ought not to take over the property at all. Now he is going to vote for an amendment which says: We must take over the property and confiscate the value of the shares. Three positions in twelve months, in order to get in line with this historic convention that has done dishonour to the part of Canada from which I come. Certain hon. gentlemen opposite will be sorry that they ever were within the four walls of that convention hall.

Sir WILFRID LAURIER: I assert here, upon my word, that not a communication passed between the member for Edmonton and myself during that convention, except what was published in the papers.

Mr. MEIGHEN: Except the famous telegram?

Sir WILFRID LAURIER: Except that.

Some hon. MEMBERS: Hear, hear.

Mr. MEIGHEN: Did the right hon. gentleman's telegram, which expressed the view that the resolutions were highly satisfactory, cover this resolution with regard to the Canadian Northern Railway stock?

Sir WILFRID LAURIER: I had not seen the resolution at that time; I must say. It referred not to that resolution, but to another.

Mr. MEIGHEN: I have been in doubt whether the words "highly satisfactory" referred to that illustrious war resolution, or whether they had general application. However, that point is cleared up at last. As there has been no request from the hon. member for Edmonton or from that convention that the leader of the Opposition depart from the principles of his own political life; that he depart from all the many policies that he has enunciated with regard to the Canadian Northern and resort at last to confiscation as the policy of his party, I hope that he himself will be found voting against this amendment. If it is not found in party necessity, certainly there is no reason for the amendment, either in justice or in common sense.

The terms of the agreement which will follow this measure will be entirely within the jurisdiction of and may be dictated by the Government; the shareholders, if they do not adhere to the terms stipulated in the agreement, will have to submit to the other alternative. Under the agreement the Government and the people of Canada will become, in effect, the owners of some 9,500 miles of railway and of about twenty-nine different companies operating various national utilities in every part of Canada. In proportion to our population, we become I think, the owners and operators of the largest system in any country in the world. We are entering upon a tremendous undertaking, an undertaking that will demand the energy, the co-operation and the strength of the Canadian people; an undertaking that will be difficult, but which, if it fairly succeeds, will redound to the honour of this country. I know that there are objections to government ownership and to government operation. I believe that those objections are largely removed by retaining the corporate entity instead of providing for direct government ownership and operation. That is a fundamental requirement of the Drayton-Acworth report and of the Smith report; and that is why in the main, we adopt this method of disposing of the equity of redemption. If we followed specifically the Act of 1914, the Canadian Northern Railway Company would still continue to exist but it would not own the Canadian Northern Railway; that would be owned directly by the Government of Canada and would require to be operated by the Government or be subjected to the control of a new company created for the purpose. The method we follow under this Bill is in principle and in substantial effect the method devised and outlined by section 24 of the legislation of 1914. If we followed it literally rather than in this parallel way, we would for all practical purposes abolish the company; we would become directly the owners of the road. Furthermore, if in disposing of the equity in that way we had resort to arbitration, it would be the physical value that would count; we would not get the advantage that we get by bringing the matter before an arbitration board in the form of stock rather than in the form of an equity. We get an advantage by taking the stock instead of taking the physical road. Therefore, while in principle and in effect we follow precisely the line of section 24 of the Act of 1914, we do not follow it literally. In this way we meet the fundamentally important and essential condition laid down by the Drayton-Acworth report and we avoid the disasters pictured this afternoon by the member for Calgary (Mr. Bennett).

I invite the House, therefore, to the consideration of this Bill as it is, and to the adoption of the motion for the second reading. When we get into committee the subjects brought to our attention by the member for Calgary can be fully and in detail considered. In my humble judgment, we are indebted to him for directing our attention to some of the points to which he referred, which may well receive favourable consideration at the hands of the committee. In the main, however, the principle of this Bill is sound. It is better to take this step rather than to continue making advances to the road. There will be disadvantages, but rather than continue as we have been doing we had better take this step. The public, I believe, demand that we do so. The public have a right to say whether we should allow the private management to continue, or whether we should enter upon public ownership of this road. That is what the second reading of this Bill means.

The passing of this Bill will mark a tremendous advance in the domestic affairs of Canada. It will put this country in a position of advance, perhaps, of any other country in the world, outside of Germany, in respect of government ownership of utilities. It will enable us to show, once and for all, whether government ownership of a tremendous enterprise like this is or is not a sound principle

Mr. W. F. NICKLE (Kingston): Mr. Speaker, my views on the principle of the Bill before the House are so well known that probably little would be gained by my taking up the time of the House this afternoon in enlarging upon them. As I realize that it is desired that a vote should be taken before six o'clock, I shall occupy the attention of the House for only a few minutes.

In 1914 I directed some attention to the subject now under discussion, as to whether or not it was advisable that Canada should take a first step in the acquisition of her railroads, or whether it was advisable that we should go on as we have been doing for many years, that is, subsidizing the railroads in this country. At the time I spoke in 1914, I had given some consideration and research to the problem of public ownership of railways in Canada,

and I was not unaware of the divergence of views there had been in the past as to whether or not government ownership was a wise thing in this country. I quite appreciate the fact that, in the early days, Papineau, the great French leader, was opposed to public ownership. I realize also what a struggle there was in the 50's and 60's in Canada as to whether the Government should themselves construct or whether they should permit private capital to construct those great new highways of steam that were coming into existence. Any one who has read the history of Nova Scotia cannot be blind to the fact that Joseph Howe, that brilliant statesman, put up a magnificent fight that the railroads should belong to the people; that they should control those highways, and he felt that otherwise, in the days to come, they would be a source of corruption and irregularities in the public life of Canada. Sir Francis Hincks, the Inspector General of Upper Canada, seems to have held very divergent views on the subject. In the early days he was in favour of public ownership of railroads, but after coming into contact with a great contracting firm in England, he seems to have changed his views, and when the project of the Grand Trunk railway was launched in Upper Canada he leaned to the view that it should be constructed by private enterprise rather than by the Government. It is, however, of very little avail to discuss to-day the question as to which of those men were right or wrong. When one compares the history of the 60's with that of 1917, one must be impressed by the fact that the men of the former generation had exactly the same problems to face that confront us here to-day. Subsequently to the construction of the Grand Trunk railway, Canada was confronted with the problem whether she should take over the railroad or whether she should give aid. She guaranteed bonds; she gave subsidies; she assisted in every way possible the needs of the railway, but the lessons of those days seem to have been forgotten in the later period of our history, and we have plunged into an orgy of giving cash subsidies and guaranteeing bonds that has brought us for solution the problem which the men of the sixties had to face.

To give the House some idea of the progress Government ownership and operation of railroads has made, I might direct the attention of the House to the fact that in 1880 there were in the world only 10,000 miles of railways under Government operation and ownership, whereas at the present time there are 225,000 miles of railways under Government operation and ownership. Sweden, Germany, Italy—practically all—in all 55—the great countries of the world now own or operate their railways. I would be wrong if I were to say that they all do, because I would leave out the two great countries of the world that have not yet adopted a policy of government ownership. I refer to Great Britain and the United States, and yet the trend in that direction is so strong that it was but a year ago, when I was at a lunch given by Sir John Hadfield's firm to certain visiting parliamentary delegates in England, that I heard Sir John Hadfield say that, if England were to maintain her position in the industrial world after the termination of this war, it was absolutely necessary that she should control and operate her railroads. The war has demonstrated that this is practical and possible, because when the war broke out and England realized that she must control her transportation, she took over and put under the control of the managers of the railways, representative business men and representatives of the War Office, the entire railway undertaking of Great Britain, and I do not believe any man will deny that that course has worked satisfactorily and well. The United States still maintains a system of private ownership and operation. That system is well entrenched there, and the railway interests have a great hold on the legislative bodies of the United States. I cannot say how soon that hold will be loosened. My good friend from Calgary (Mr. R. B. Bennett) this afternoon drew the attention of the House to the fact that many of the American railroads had gone through the hands of the receivers, and that would seem to indicate that private ownership in the United States has not been the success that might be desired for it. We in Canada, in taking over this railway, are taking a great step forward, and if I understand aright the purport of the Bill, there are two great principles in it. The first is that Canada should assume the ownership of this railway, and indirectly, through a board of directors, operate it, the object being to have the advantage of public ownership without the disadvantages, to free the railroad as far as possible from political influence or interference. The other great underlying principle of the Bill is that, if the stock has any value, the men who own the stock should be paid for their property.

As to the first principle, I think I have made it abundantly clear that I approve it, and as to the second principle, I wish to take the same position as I took in this House in 1914, and that is, if Mackenzie and Mann—I do not think there is any gentleman here who is carried away with the belief that I have any serious love for them—can prove that this stock has any value, they should be paid for it. That is my position here this afternoon.

I am opposed to the amendment as offered by the Opposition, because I think it enunciates the principle that, because a tribunal, on ex parte evidence that did not represent the views of all interested, reached the conclusion that a man's property was worth nothing, the State, by the inherent power that it has, should deprive that man of his property, without a hearing and an opportunity to prove its value. That is not sound, and it is not a wise doctrine to promulgate in this country. Whether this matter should be referred to the Exchequer Court or whether the value of this road should be determined by arbitration is a question on which much might be said on either side. That is a matter of detail. But if a tribunal is properly constituted—and that is indicated by the fact that Sir William Meredith is to represent the Government on it—the matter will be fairly investigated and a fair price reached for the stock of the Canadian Northern railway.

Mr. PROULX: May I ask a question?

Mr. NICKLE: If my hon. friend will allow me to proceed, I will answer questions after I have finished my remarks. My hon. friend from Calgary (Mr. R. B. Bennett) stated that we should not enter upon the project of acquiring shares by the method mentioned in the Bill which, involved the introduction into the transaction of third parties, pledgees of stock. His point does not impress me, and I am not influenced by the same fear with which he is seized. The mere fact of making the pledgees parties to the agreement in no way enunciates the principle that, because the pledgees have advanced money on a stock, ipso facto that stock has a value. In my judgment, it makes no difference in the world as to the value of a stock whether, if it is handed over to me as collateral security, I advance 75 per cent on it, or whether I advance 10 per cent. If the stock is to be taken over by arbitration, the inherent value of the stock, not the amount of money I advanced on it, is the determining factor, and if I understand aright the principle of the Bill, that is what the Minister of Finance understands by the second paragraph of section 4. In fairness to the pledgees, he further says: if you wish to appear before the tribunal and be heard, that is your privilege. You have advanced money on this security and you have certain rights. I do not purpose taking those rights away from you arbitrarily and without your being heard, but the value of the stock is in no way determined or influenced by what you advanced, its value is what it is worth to-day in the markets of the world as a stock.

I am not so confident, however, as to whether or not the hon. member for Calgary is not right in his second position, namely, that the cost of reconstruction is not something that might well be directed to the attention of the arbitrators in determining the value. You will observe, Sir, that subsection 2 of paragraph 4 says:

> The said arbitrators shall determine the value of the said six hundred thousand shares as of the date of the said agreement, and the said arbitrators shall proceed in a summary way and may apply their own judgment in determining such value, and may receive with respect thereto such reports and statements authenticated in such way as they may decide and such evidence as they may deem necessary or helpful, examine witnesses under oath and hear parties by counsel or representatives, and the unanimous determination of the arbitrators shall be final.

It seems to me it might be advocated before the arbitrators on the part of the company that this stock has a potential value, that it has a potential earning power; and that, as the great bulk of the money that had gone into the undertaking had gone into it when the materials were less valuable than they are to-day, in determining the value of the stock, the present value of the physical assets as such should be considered as well as the potentialities of the road. It seems to me, therefore, that that is a matter that might have the attention of the Solicitor General and the Minister of Finance, so that when the measure comes before the House in committee they might be in a position to advise us as to what the best legal advisors of the Government think in reference to this contention.

The five minutes that I promised to take have more than run, but I would again like to aver that my vote shall be cast in favour of the Bill, because I think it declares for a very long step in the advancement of Canada's policy in reference to her railway construction, maintenance and operation.

Mr. PROULX: Would not the hon. gentleman have as much confidence in a judge of the Exchequer Court as in Sir William Meredith?

Mr. NICKLE: I think each man is first-class, and it is a matter of indifference to me which is appointed.

The House divided on the amendment of Mr. Graham.

The amendment moved by Mr. Graham was declared lost on the following division:

YEAS.

Messieurs:

Boivin,	Laurier (Sir Wilfrid),
Bourassa,	Lemieux,
Brouillard,	Macdonald,
Buchanan,	Maclean (Halifax),
Bureau,	McCoig,
Cardin,	McCrea,
Copp,	McKenzie,
Delisle,	Marcil (Bonaventure),
Demers,	Marcile (Bagot),
Douglas,	Michaud,
Ethier,	Murphy,
Fortier,	Oliver,
Gauthier (St. Hyacinthe),	Pacaud,
Gauvreau,	Papineau,
Graham,	Pardee,
Guthrie,	Proulx,
Kay,	Ross,
Lachance,	Seguin,
Lapointe (Kamouraska),	Tobin,
Lapointe (Montreal, St. James),	Turgeon,
	Verville.—41.

NAYS.

Messieurs:

Ames (Sir Herbert),	Meighen,
Armstrong (Lambton),	Munson,
Armstrong (York, O.),	Nickle,
Ball,	Nicholson,
Bellemare,	Merner,
Bennett (Calgary),	Middlebro,
Bennett (Simcoe),	Morphy,
Best,	Paquet,
Borden (Sir Robert),	Morris,
Bowman,	Paul,
Boys,	Rainville,
Brabazon,	Robidoux,
Burnham,	Roche,
Burrell,	Rogers,
Carrick,	Schaffner,
Champagne,	Scott,
Clark (Bruce),	Sevigny,
Clarke (Wellington),	Shepherd,
Cochrane,	Smith,
Crothers,	Stanfield,
Currie,	Steele,
Doherty,	Stevens,
Donaldson,	Stewart (Hamilton),
Elliot,	Stewart (Lunenburg),
Fripp,	Sutherland,
Girard,	Thoburn,
Glass,	Thompson (Yukon),
Green,	Thornton,
Hanna,	Walker,
Hughes (Sir Sam),	Wallace,
Lalor,	Webster,
Lewis,	Weichel,
McLean (Queens, P.E.I.),	White (Sir Thomas),
	Wright.—67.

[Mr. Nickle.]

PAIRS:

Ministerial.	Opposition.
Arthurs,	Truax,
Bradbury,	Cruise,
Boulay,	Boyer,
Barnard,	Achim,
Boyce,	Devlin,
Cockshutt,	Charlton,
Chabot,	Beland,
Clements,	Knowles,
Davidson,	Carroll,
Descarries,	Lanctot,
Foster,	Loggie,
Forget,	Bickerdike,
Henderson,	Nesbitt,
Hazen,	Pugsley,
Jameson,	Kyte,
Kemp,	Robb,
Marshall,	Neely,
Morrison,	Molloy,
McLeod,	Carvell,
Northrup,	German,
Reid,	Sinclair,
Sexsmith,	Power,
Wilson,	Wilson,
White (Renfrew),	Gordon,
Hartt,	Thomson,
Taylor,	Mondou,
Tremain.	Chisholm,

Mr. LEMIEUX: I did not rise to record my vote, Mr. Speaker, because I did not see my pair, the hon. Minister of the Interior (Mr. Roche) present in the House, but as I saw him afterwards voting, I asked the clerk to record my vote in favour of the amendment.

Mr. NESBITT: I was paired with the hon. member for Halton (Mr. Henderson). Had I voted I would have voted for the amendment.

Mr. SINCLAIR: I was paired with the hon. member for Grenville (Hon. J. D. Reid). Had I voted I would have voted for the amendment.

Mr. McLEOD: I was paired with the hon. member for Carleton (Mr. Carvell). Had I voted I would have voted against the amendment.

Mr. DAVIDSON: I was paired with the hon. member for Cape Breton South (Mr. Carroll). Had I voted I would have voted against the amendment.

The motion of Sir Thomas White for the second reading of the Bill was declared carried on the same division reversed:

Bill No. 125 was thereupon read a second time, and the House went into committee thereon, Mr. Rainville in the Chair.

At six o'clock the committee took recess.

After Recess.

The committee resumed at eight o'clock, Mr. Rainville in the Chair.

On section 1—His Majesty may acquire 600,000 shares of common stock.

Mr. GRAHAM: Before His Majesty acquires these shares of capital stock, I think we ought to have some assurance from the Government that contractors who have just claims against Mackenzie and Mann, either as contractors or as owners of the capital stock of the Canadian Northern Railway should be paid. Mackenzie, Mann & Company as contractors construct the road for Mackenzie and Mann as owners. There are various subsidiary companies making up the Canadian Northern Railway system. In the different provinces the road, main line and branches, has been constructed under charters with different names. In Ontario it is called the Canadian Northern Ontario Railway, in Quebec the Canadian Northern Quebec Railway. In British Columbia the road was constructed under a provincial charter, called the Canadian Northern Pacific Railway. These several companies make up the Canadian Northern Railway system. Mackenzie, Mann & Company as contractors constructed most of these lines for Mackenzie and Mann as owners of the railway. My contention is that the Government, in taking over all this property, takes the place of Mackenzie, Mann & Company, contractors, or Mackenzie and Mann, owners of the road, and should become responsible for all their just liabilities. I pointed out on the second reading that, of necessity, the Government will have to assume these liabilities. Several contractors who have performed work in this connection claim that they have not received their pay and have not been able to make any progress during the last two or three years towards getting their money. I know the Government could say in taking over the Canadian Northern Railway system that technically it is not responsible for the liabilities of Mackenzie and Mann as contractors or of any of their sub-contractors. But this is the situation: If the Government is taking over, under a statute, property which has not been paid for, it certainly should pay for that property; buying the capital stock from the holders of the capital stock does not at all relieve the Government but rather involves the Government in the payment of these accounts. I do not pretend to say that every hatched-up account or every account that can be hatched up should be paid by the Government, but I do say that where a contractor proves a legitimate claim this Government cannot in equity refuse to pay that contractor for work done on the highway that the government is taking over under statute. If these same men had built a house, as mechanics, they would have taken liens on the house, and no matter who purchased the house the liens would be enforceable. So I say, that although as railway contractors they cannot take liens on this property; in equity the Government ought to pay to these contractors every just claim.

Mr. MORPHY: Would not such items as the hon. gentleman refers to be deducted from the value of the stock in the ultimate analysis? In that case the money, if paid to the creditors, would really come out of what would be going to Mackenzie and Mann.

Mr. GRAHAM: I care not particularly where it comes from so long as it goes to the man who did the work and cannot get his pay.

Mr. MORPHY: Does the hon. gentleman not think it would be so actually?

Mr. GRAHAM: Technically and legally I suppose that would be the way to do it. In other words, the account might be treated as if it were garnisheed by the contractor, and the amount payable for the capital stock be reduced to that extent and the money paid to the contractors.

Mr. WEBSTER: How about the contractors from Brockville to Westport?

Mr. GRAHAM: That was settled years ago.

Mr. WEBSTER: They never got paid.

Mr. GRAHAM: That road was sold under mortgage and would hardly come under this proposition. I may say, in response to the hon. member for North Perth (Mr. Morphy), that if the arbitration would say that the capital stock had no value, then, unless, the Government were prepared to assume this liability for property that they are taking possession of, that had not been paid for, the contractors would not get their money.

There is more than one account of this kind. For several years contractors have been placing their claims before me and asking me if I could get a settlement from Mackenzie and Mann. I have no power to get a settlement of their claims, but I have presented some of them to the com-

pany. I have in mind one claim of a firm that built some 23 miles of railway between March and Arnprior. The Government has all the particulars of this claim. An effort has been made for the last four years to get payment of this claim. There was some $18,000 of a hold-back kept until recently when $5,000 was paid. The contractor has been unable to get a settlement although the work has been completed and he has been asking for payment of his whole account.

He has not been paid for his work at all. Much of this work has never been placed in any estimate over which there could be a dispute by the Canadian Northern or Mackenzie and Mann. There has been no estimate made for it; they just declined to make the estimate. The firm of contractors claim $37,000 of a balance due them. I shall read one statement of this claim to the House, and I think it is a strong claim —at least it ought to be settled. Procrastination of a claim of this kind, without refusal to settle, but holding out hopes that it would be settled in some way, is the most exasperating thing in the world. The statement reads as follows:

> In reference to statement of claims herewith we would point out that since the fall of 1913, when the work in question was completed, we have made many appeals to the Canadian Northern Ontario Railway Company, both direct and through J. P. Mullarkey, for a settlement of our account and an adjustment of our claims. Not only have they shown no disposition at any time to investigate and consider our claims for shortages in the estimates returned for the work done, but for three years they have withheld payment of over $18,000 of a ten per cent hold-back, which was due and payable thirty days after the completion of this work. About a year ago, however, we received an advance of $5,000 on account of this hold-back, leaving a balance still of $13,679.87 as per statement herewith.
>
> As to amount of $20,289.73 additionally claimed for work done and for payment of which no provision has been made, we have from time to time particularly urged that they send an engineer over the work for the purpose of conscientiously checking up our claims at the various points. The only advance that was made towards this end, however, was a flying trip made over the road by Division Engineer L. E. Rowley, on a motor car, and we have absolute proof that no more serious attempt than that was made to verify the legitimacy of our claim.
>
> Early this spring, then, we decided to employ an engineer ourselves, to re-measure the work and having advised both J. P. Mullarkey and the C. N. O. Railway Company of our action, invited them to send one of their own engineers along with ours and at the same time requested that they supply us with their engineer's cross-sections of the work, but no notice was taken of either invitation or request; so that it was necessary for us to go ahead with our re-measurement without their co-operation or assistance. This we did, and the enclosed statement of account and claims is compiled from our own engineer's notes and cross-sections conscientiously and conservatively made.

This inspection work, re-inspection, and re-measurement, was made by the contractors themselves, the Canadian Northern declining, though requested, to send an engineer along to check it up, and see if the statements were correct. I have another statement, which says:

> We would like to call your particular attention to the fact that there are a number of items that constitute work done for which there is absolutely nothing in the estimates to cover.

That is, work performed by this contractor for which no account has even been paid, but the work stands there, being taken over by the Government now. There is no question as to the amount. They have never received a cent for this part of the work, and nothing has ever been put in the estimates. In this statement, from which I have just quoted, I find the following:

> These include about six different sections of side barrow excavation, among which a section of 1,300 feet, station 955-968, might be particularly referred to; 71 cubic yards concrete pedestals for trestle at station 799; 20 cubic yards dry masonry for culvert at station 1189; 13 cubic yards dry paving in culvert at station 926, not to speak of the many sections of clearing and grubbing noted.

I have a further statement here which shows amount due on ten per cent hold-back, $13,679.87. As a matter of fact, this company had this much cash in their hands belonging to this firm of contractors, and although the work has been completed, the contractors assert they have not been able to get the company to say whether it has been completed or not, but they still keep the hold-back, and there the matter rests.

Mr. NESBITT: Were these gentlemen sub-contractors of Mackenzie and Mann or of the railway?

Mr. GRAHAM: The contract was through Mr. Mullarkey, who is the chief engineer of Mackenzie and Mann, the main contractors.

Mr. NESBITT: Were they second sub-contractors?

Mr. GRAHAM : The way Mackenzie and Mann operated was this: They took the contract as contractors; J. P. Mullarkey is the chief contractor of Mackenzie and Mann, and, to all intents and purposes, is Mac-

kenzie and Mann. I think he took the contract for the line between Ottawa and Toronto.

Mr. OLIVER: Was Mr. Mullarkey sub-contractor under Mackenzie and Mann?

Mr. GRAHAM: I do not know whether he would be a sub-contractor. He does the work for Mackenzie and Mann, under their contract. In the statement of moneys claimed by these contractors I find the following:

Claims for under allowances in prices, etc.	$3,155.60
Claims for shortages in quantities returned in estimates	20,289.73

The total claim amounts to $37,125.20. I am not going to read the details of each of these items, or put them on Hansard. They include clearing of lands and other items. To my mind, this claim seems to be absolutely right, but, if it is not right, the Government, having taken possession of the road, should at once ascertain whether this is a correct statement of claim or not, and the matter should be settled. It is an outrage, when a man has to put up a certain amount of money for carrying out a contract, and when he claims it is all completed, and wants the engineers of the company for whom he has done the work to go over it with him, see if it is completed, and have a settlement, to be told that he must stand to one side, and get no satisfaction. To my mind, the Government cannot escape the responsibility of paying any just claim that may be made for the construction of the road, either against Mackenzie and Mann as contractors, or against them as owners of the capital stock, because, to all intents and purposes, so far as the public is concerned they are one and the same thing. I do not know that I can say anything more, but I think that, in order that there may be satisfaction among the men to whom Mackenzie and Mann owe money, or who have claims against them, the Government should announce that it will be their policy to pay any just claims that are found to exist against Mackenzie and Mann as contractors or against them as owners of the capital stock.

Mr. MURPHY: Up to the time my hon. friend from Calgary (Mr. R. B. Bennett) spoke this afternoon, the Government, as I recall their attitude since this discussion opened, did not manifest any disposition to accept suggestions by way of improvement of the method or the details of carrying out the transaction to which the Bill now before the committee relates. However, after the hon. gentleman from Calgary had spoken, and had delivered what I think, in the opinion of this House, was one of the most incisive, complete and masterly analyses of any measure ever submitted to Parliament, the Solicitor General (Mr. Meighen), who followed him, realized the position in which the Government and its Bill had been placed by that speech. The Solicitor General proceeded to indicate that in regard to certain matters of principle, and in regard to other matters of detail, the suggestions made by the member for Calgary would probably receive consideration. The Minister of Finance will recall that a complaint, voiced, perhaps, with more effectiveness by the member for Calgary than by any other speaker in this discussion—although he was not by any means the only one who voiced it—was made as to the incompleteness of the information laid before the House with regard to the Canadian Northern Railway Company. The member for South Renfrew (Mr. Graham) has dealt with one branch of that aspect of the discussion. He has pointed out that there are a number of unsettled contractors' claims. He has argued that these contractors, having built the road which is to be taken over by the Government, having put up some of their own money in connection with that work, should be paid for their services and that the Government should assume responsibility for the debts so owed these contractors. I have knowledge of some of those claims. I recall some claims that were submitted to me by contractors who did work on the Sudbury-Port Arthur line, a branch of the Canadian Northern system which was constructed by the Mackenzie and Mann company. So far as I know, these claims have not yet been settled. One claim at least in connection with the construction of the telegraph line along that system has not yet been settled; there may be others. I could give the details and verify these before the Bill goes out of committee. But if the minister will admit the principle that the Government should pay these men, who have given value to the company, then we could postpone the discussion of the details.

Another very important matter was touched upon by the member for Calgary, to which allusion had not previously been made, and which the hon. Solicitor General found it convenient to overlook in what he described as his reply. I refer to the member for Calgary's enumeration of the existing liabilities in connection with unfinished

contracts for which the Government will become liable under the terms of their proposed legislation. Let me direct the attention of the minister and of the committee to the situation in that regard as it exists in British Columbia in connection with the Canadian Northern Pacific Railway. A news item in the Vancouver Sun of August 11, 1917, is as follows:

Victoria, Aug. 10.—The following telegram sent by Hon. John Oliver, minister of railways, to Sir R. L. Borden to-day:

"British Columbia has guaranteed the principal and interest on forty-seven million nine hundred and seventy-five thousand dollars of Canadian Northern Pacific railway company bonds and has contracts obligating the railway company to expend twenty-two to twenty-five millions to complete. Are the province's interests being protected? Please reply quickly.

The under-mentioned reply from Sir R. L. Borden has been received:

"The Government proposes to acquire all the capital stock of the Canadian Northern railway company which owns all the stock of the Canadian Northern Pacific railway company. Copy of the bill now before Parliament is forwarded to-day for your consideration. The company's obligations will remain as they were before such acquirement."

The newspaper item proceeds:

By Sir Robert Borden's telegram it will be seen that the Dominion Government assumes all the Canadian Northern railway's obligations in respect to the Canadian Northern Pacific railway, both financial and as to the completion by the latter railway of its existing contracts.

If the statement of the Premier of British Columbia be correct, there is an obligation of between $22,000,000 and $25,000,000. I submit that this committee is entitled to full information, not only in regard to this particular outstanding obligation, but also in regard to all other obligations coming within that category. That is information which, I think, should have been regarded as included in the general request for information made by hon. gentlemen on this side of the House. That is the second point upon which I should like the hon. minister to furnish the committee with details before we proceed to a consideration of the Bill.

I wish to refer to another matter in connection with which the committee is entitled to the fullest information. We have had discussion as to the pledgees of the stock, the holders of bonds and other individuals or interests who will be affected by or who are bound to become beneficiaries under this legislation. Information was asked from the minister as to the identity of these individuals and interests, but so far as I am aware that information has not yet been given to the committee. I wish to recall the incident through which the Minister of Finance was brought into public life. I refer to the letter that was signed by the eighteen gentlemen in Toronto in the spring of 1911 against reciprocity. The minister was one of those eighteen gentlemen. The complete list of the eighteen is given in the Canadian Annual Review for 1911.

Mr. LEMIEUX: So-called Liberals?

Mr. MURPHY: I am not prepared to vouch for the politics of the gentlemen who signed that letter, nor am I at the moment concerned about that. On page 48 of the Canadian Annual Review for 1911 I read this:

The signers of the manifesto mentioned, and in the order given, were Sir Edmund Walker—

Who, as everybody knows, is general manager of the Canadian Bank of Commerce.

—John L. Blaikie, President of the Canada Landed & National Investment Co.; W. D. Matthews, ex-President of the Toronto Board of Trade and Vice-President of the Dominion Bank; W. K. George, ex-President of the Canadian Manufacturers Association and of the Toronto Industrial Exhibition, and Vice-President of the Sterling Bank of Canada; Z. A. Lash, K.C., an eminent lawyer and capitalist; W. T. White, Vice-President and General-Manager of the National Trust Company; George T. Somers, Vice-President of the Board of Trade and President of the Sterling Bank of Canada; R. S. Gourlay, President of the Toronto Board of Trade and a piano manufacturer; Sir W. Mortimer Clark, K.C., LL.D., ex-Lieut.-Governor of Ontario; R. J. Christie, President of Christie, Brown & Co., and a prominent manufacturer; Hugh Blain of Eby, Blain & Co., and leading wholesale merchant and director of The Globe, the chief Ontario organ of the Liberal party; H. S. Strathy, a director and for many years General-Manager of the Traders Bank of Canada; L. Goldman, Managing-Director of the North American Life Assurance Co., and G. A. Somerville who held the same position in the Manufacturers Life Insurance Company—both well-known insurance men; Wellington Francis, a prominent lawyer and Director of the Standard Bank and several companies in Toronto; J. D. Allan, ex-President of the Board of Trade; E. R. Wood Vice-President of the Central Canada Loan and Savings Company, a director on many concerns and one of the leading financiers in Canada; John C. Eaton, President of the T. Eaton Company, Limited, and said to have 17,000 employees in his service.

Those are the names of the gentlemen who signed the anti-reciprocity manifesto in 1911. I would ask the minister to state to the committee whether, excluding himself, the gentlemen named, or the executors or the representatives of the estates of those who have died, hold any of this stock, or are the pledgees of this stock, or are the

holders of any of those Canadian Northern bonds, and whether Sir Clifford Sifton is the owner or holder of stock or the pledgee of any of those bonds. The committee should have that information in order properly to appreciate the legislation before the House. I, therefore, invite my hon. friend to give to the committee the information under the three heads I have enumerated.

Sir THOMAS WHITE: My hon. friend has considerable imagination to link up a letter signed by eighteen Liberals in Toronto against reciprocity with the question now before the committee. My hon. friend has read the names of eighteen very distinguished citizens of Toronto. He will admit that the names are all good, and that they were quite within their rights in signing the letter they did in regard to the issue of reciprocity, just as hon. gentlemen opposite have been quite within their rights in voting against their leader on the question of compulsory military service. My hon. friend asks me if I know whether any of those gentlemen whose names he has mentioned are in any way interested in connection with the Canadian Northern Railway company. As a matter of knowledge, I do not know any shareholder or bondholder to-day of the Canadian Northern Railway company, and the only information I have is this, that I believe that Mackenzie, Mann & company, Limited, are the owners of 51 per cent of the stock of the Canadian Northern Railway company. It would be a matter of surprise to me if the gentlemen mentioned, Sir John Eaton, Mr. Allan, Mr. George, Mr. ——

Mr. MURPHY: Mr. Lash.

Sir THOMAS WHITE: Mr. Lash is second vice-president of the Canadian Northern; Mr. Woods is vice-president or director of the Canadian Northern; as to the others, so far as I am aware they are not in any way connected with the Canadian Northern as stockholders or bondholders. The Solicitor General points out to me that Mr. George is a director on the Canadian Northern, representing the Dominion Government under the action taken last session. I should be surprised to learn that he had any personal interest in the enterprise. I do not know any of the bondholders of the Canadian Northern, and, as I say, the only stockholders of whom I am aware are first, the Minister of Finance and Receiver General who owns $40,000,000 worth of stock, and, secondly, Messrs. Mackenzie, Mann & company, Limited, who are the owners of about 51 per cent, that is, they have a controlling interest in the Canadian Northern Railway company.

Mr. MURPHY: Can the minister say as to Sir Edmund Walker and Mr. Lash?

Sir THOMAS WHITE: Mr. Lash is second vice-president of the Canadian Northern. Whether Mr. Lash holds any shares, and if so to what extent he is a shareholder, I am not aware. The bondholders are largely in Great Britain. The Canadian Northern has always been known as a close corporation, the principal stock being held by Mackenzie, Mann & Company, Limited. I have no further information with regard to the others, and I should be much surprised to learn that any considerable number of them, if any of them other than those who are officially connected with the company, are bondholders or stockholders in the Canadian Northern Railway company.

Mr. MURPHY: Will the minister get that information? I can quite understand he might not have it himself, but the information ought to be obtained and placed before the committee. We ought also to know, in the same connection the indebtedness of the Canadian Northern Railway company to the Canadian Bank of Commerce.

Sir THOMAS WHITE: I have not the information as to the indebtedness of the Canadian Northern to the Canadian Bank of Commerce nor to any other bank. The statements laid upon the Table show the floating indebtedness of the Canadian Northern railway.

With regard to the claims mentioned by the hon. member for South Renfrew (Mr. Graham) and the hon. member for Russell (Mr. Murphy), the position is this: The Dominion Government is acquiring the shares of the Canadian Northern Railway Company; that is to say, instead of the present shareholders, the Dominion Government will be the sole shareholders. The corporate organizations of the company as well as the organizations of the subsidiary and constituent companies will remain as at present, the intention being to administer them as corporations, that is to say as they are being administered at present. The claims against those companies can be filed with the Department of Railways precisely as they are being filed to-day. The financial controller of railways, who is here to-night, tells me there are comparatively few claims against Mackenzie, Mann & company,

Limited, in connection with the Montreal to Port Arthur section. I have the details of them here. There are five altogether, and there is in the department $72,000, or nearly enough to cover those claims, the amount involved being approximately $80,000. The department takes up those claims and looks into them carefully. The case referred to by the hon. member for South Renfrew has been under the most careful consideration of the Railway Department.

Mr. MURPHY: It has been outstanding for four years.

Sir THOMAS WHITE: The claim is contested, and, in the opinion of the Railway Department, justly contested. The Department of Railways offered a mode of settling the question by having a re-measurement. The contractors agreed to that.

Mr. COPP: When was that offer made?

Sir THOMAS WHITE: Three or four weeks ago, and I understand the mode of determination suggested has not been adopted by the gentlemen in question. The Dominion Government could not undertake to pay claims which are usually filed for the largest possible amount. The Dominion Government takes over the Canadian Northern Railway company, and that company continues just as it has in the past. Any claims which in the past could have been filed can now be filed. The Department of Railways, as my hon. friend knows, retains moneys from subsidies and from the proceeds of guaranteed securities for the purpose of covering those claims.

Mr. GRAHAM: If the claim of which I have spoken is found to be a just claim, will it be paid?

Sir THOMAS WHITE: Yes, the Department of Railways says so. The money is in the Department of Railways for that purpose.

Mr. GRAHAM: The difficulty has been this: the claim has been outstanding for years, and the contractors could never get the company to say whether the claim was a just one or not. The company would not go into particulars, but stood the contractor off, by saying they would send the engineer to look over the work. They never did so, however, except that a man once went over it in a motor truck, which goes at 25 miles an hour, and he could not see anything. I know something about this claim, because I attempted to get it settled, not months but years ago. The engineer did not make any examination at all of the work, I am informed, and the company have always refused to get down to close quarters in considering it. I would not ask the Government to pay a claim that was not just for this contractor or anybody else, but now that the Government has taken over the road I should like to be assured that if this is a just claim the Government will see that it is paid.

Sir THOMAS WHITE: There will be no different procedure from that of the past, because the Department of Railways will still be the Department of Railways and will still investigate these claims. The Department of Railways, which is a department of the Dominion Government, has the money to pay these claims, provided they are just. My hon. friend does not suggest that the department should pay unjust claims?

Mr. GRAHAM: No, I made that clear.

Sir THOMAS WHITE: The point I make with regard to the stock we are purchasing is that it does not affect these claims at all. As the department has the money to pay the claims, no question arises as to funds, and, therefore, it is only a question of the contractors or the sub-contractors establishing their claim to the satisfaction of the department. With all due respect to my hon. friend, I do not see that we should hold up the consideration of this Bill on any such consideration as he has put forward, because, as I have said, the money is in the department to pay the claims if they are just.

Mr. NESBITT: Will the minister tell us just what he means by saying that the Department of Railways have the money?

Sir THOMAS WHITE: The department holds a drawback. The subcontractor who has a claim against the contractor files his claim in the Department of Railways, which has moneys belonging to the company.

Mr. LEMIEUX: Subsidy money?

Sir THOMAS WHITE: Yes, or proceeds of guaranteed bonds which it holds back. So the fact of the Government becoming the owner of the stock of the Canadian Northern Railway company does not alter the situation in the least degree. The subcontractor with a just claim can still file his claim with the Department of Railways against the railway. The claims that have been mentioned are under investigation by the department, and there is no doubt that it has the money to pay the claims if they

are established. The financial comptroller of the Department of Railways informs me that in the first case drawn to our attention by the hon. member for South Renfrew, a reasonable proposal has been made to the subcontractor, but it has not been accepted, I believe.

Mr. GRAHAM: I know what it was.

Sir THOMAS WHITE: My hon. friend asked me with reference to the bondholders and stockholders of the Canadian Northern Railway company. I have no information whatever, nor do I believe it could be obtained, with regard to the bonds, because they pass from hand to hand. With regard to the stock, I understand that Mackenzie, Mann & Company, Limited, are the owners of about 51 per cent of the stock, which is sufficient to make operative the agreement referred to in section 1 of the Bill. As to who the other stockholders are, representing one-sixth of the capital stock, I have no information. Some are in England. I understand that the Government of British Columbia is also a shareholder. But Mackenzie, Mann & Company, being the owners of 51 per cent of the stock, are in the position to lodge stock and make operative the agreement under section 1. Then it is open to others to bring in their shares, and if they do not bring in their shares the Governor in Council may declare that those remaining shares are vested in His Majesty subject to the terms of this legislation.

Mr. GRAHAM: I know the modus operandi of the Railway Department pretty well and I know that in the case I have referred to the chief contractor can put obstacles in the way of the adjustment of the claim and postpone settlement year after year. He may say, for instance, that the road is in a state of semi-completion. That happened with me time and again. I have often had to call in the chief contractor and say: "If you won't say something about this claim one way or the other, I am going to pay this subcontractor." I have done that on several occasions. Now that the Government is becoming owner of the road, it is in a position to act in unison with the Railway Department and act more promptly than the former owners of the stock. What I am trying to draw from the Government is a statement that they will take these claims up and have them adjusted, and not act as the former railway company did, which postponed the claims year after year. All I ask is that if a just claim is established it will be paid. I understand that there are only some $72,000 worth of claims to pay.

Sir THOMAS WHITE: Some of these claims are too high.

Mr. GRAHAM: Some may have to be reduced. The point I am making is that when the Government takes over the road it ought to see that these men who have done work for the company shall be settled with, and should it happen that the arbitrators find that the common stock has a value the Government would be in a position absolutely to recoup itself for any expenditures it might make in this way.

Sir THOMAS WHITE: We have the money anyway.

Mr. MEIGHEN: I have made inquiry of the comptroller as to the specific claim mentioned by my hon. friend from South Renfrew. I believe it is the claim of Macdonald and Lynn, who were subcontractors under Mullarkey, who himself was a subcontractor. It appears that the claim has been standing for some time, but the comptroller tells me that it is only within very recent months that it has come before the Department of Railways and Canals.

Mr. GRAHAM: That is true, I think.

Mr. MEIGHEN: It came before the department in this form. Macdonald and Lynn claim that the measurements were wrong. They had been paid the full apportionment coming to them, providing the measurements of the Canadian Northern railway under which Mullarkey himself took his money were correct. They claim, however, that these measurements were too small, and consequently there was more money coming to them. The proposal made to them by the Department of Railways and Canals was that a new measurement should be made, under which Mullarkey would take a readjustment, if necessary, of his moneys, and consequently, Macdonald and Lynn a readjustment of theirs. The condition of the remeasurement was to be that if the first measurement was right Macdonald and Lynn would stand the cost of the remeasuring; if it was not right, the Canadian Northern would stand the cost. That proposal seems eminently fair, but Macdonald and Lynn have not yet acceded to it, and that is why the claim is standing. It is a matter of perfect indifference to the department, except that they would like to see the claim settled. That is the proposal that has been made, I am informed, and the ones who have not accepted it are Macdonald and Lynn.

Mr. GRAHAM: This may seem a small thing, but it is a big thing to Macdonald and Lynn, because it means practically the profit on their work. Macdonald and Lynn have begged of the Canadian Northern, or of Mr. Mullarkey, who is technically a subcontractor but really Mackenzie and Mann's contractor, to send a man to have these measurements taken.

They declined to send the man. Macdonald and Lynn said: "Then, we will get an engineer up and you go with him." This they also declined. Macdonald and Lynn then went to the expense of making all the measurements themselves. The Canadian Northern declined to send a man over with them to check up the measurements. Now the proposal is made that they shall have the same thing done now which the company refused to do a few weeks or a few months ago. Of course, that was before it came before the Railway Department. I would ask the Solicitor General if the work is completed, and as I understand him to say the Canadian Northern admit that it is completed, why do they keep this $13,600 as a drawback?

Sir THOMAS WHITE: The controller informs me that there are some outstanding claims in respect of sub-contractors' work, and that is the reason why the drawback is held. Does it not come down to about this—there is money to pay just claims, and if a claim is established as legitimate, it will be paid? There is no question as to the money.

Mr. GRAHAM: That is so.

Sir THOMAS WHITE: All my hon. friend suggests is greater activity than has existed in the past. He says that by reason of the ownership of the road being in private hands there has been delay, and that it has been under the Railway Department for investigation, and he suggests that now when the Government becomes proprietor of the road there might be greater activity with a view to having this settled. But it cannot be settled until the Railway Department determines that the claim is just. I am sure no hon. gentleman would ask the Department of Railways to pay out money in settlement of an unjust claim. I do not think we can advance the matter further than that. If the claim is legitimate, there is money to pay it, and it will be paid.

9 p.m.

Mr. MURPHY: My hon. friend has become accustomed to deal in such large figures and such huge amounts of money, that he has forgotten this trifling matter of $25,000,000 in connection with the Canadian Northern Pacific.

Sir THOMAS WHITE: What $25,000,000 is that?

Mr. MURPHY: The $25,000,000 which the Premier of British Columbia says is necessary to complete the contracts of the Canadian Northern in that province. I asked the hon. gentleman if it was one of the obligations the Government was taking over, and how many obligations of a like character there were.

Sir THOMAS WHITE: That obligation is not affected at all by what is being done here. The Canadian Northern Pacific, as my hon. friend knows, is a company whose stock is held by the Canadian Northern Railway company. After the Government acquires the capital stock of the Canadian Northern railway, the stock of the underlying company will still be held just as it is to-day, and the company will be carried on, and be responsible for such obligations as it has, just as is the case to-day. The status of the Canadian Northern Pacific, or, indeed, of any of the subsidiary or constituent companies, or of the Canadian Northern Railway company itself, is not changed. They are the same companies, with the same liabilities, and the same obligations. I am unable to pronounce offhand as to the merits of this matter. My hon. friend quotes a telegram, or a letter, from the Premier of British Columbia which is, of course, entitled to consideration.

Mr. MURPHY: I also quoted the reply of the Prime Minister.

Sir THOMAS WHITE: When the Government secures the ownership of this stock, the system will be run as it is being run to-day. The obligation will not be lost. From the standpoint of the government of British Columbia it may be a rather fortunate thing that this Government is taking over the stock of the Canadian Northern Railway company. Whatever the obligations of the Canadian Northern Pacific may be, they would be more likely to be carried out with the control of the Canadian Northern Railway system in the strong hands of the Government than if it were in the hands of any private owners, especially in times like these. I am quite unable to give any definite answer to my hon. friend, but I may say, it does not appear to me that the point he mentions really touches what we are doing, the status of all these companies being maintained.

Mr. MURPHY: My hon. friend is very patient and very courteous—

Sir THOMAS WHITE: Why should I not be?

Mr. MURPHY: —but he will pardon me if I do not enter into the discussion into which he wishes to lead me, or to lead the committee. I am not concerned particularly with the position of British Columbia in regard to this matter. I simply point out a specific instance of a class of claims mentioned by the hon. member for Calgary this afternoon. I have asked the Minister of Finance how many claims of that character there are, and what is the total amount; so that we may know what we are talking over, or what we are getting in this bargain, if it be a bargain; in other words, what obligations the Dominion of Canada is assuming in connection with this matter.

Sir THOMAS WHITE: The Department of Railways has only three claims on file in respect of the Canadian Northern Pacific, aggregating $170,000. Against these claims, they have $300,000 of subsidy moneys in their hands. The particular obligation to which my hon. friend refers no doubt arises out of an agreement with the Government of British Columbia. Whatever that obligation may be, it will still remain. I do not think it is possible to give definite information with regard to the extent of claims, except indebtedness, of such a system as this— a railway system extending throughout the whole of Canada, with branch lines which have been projected, where bonds have been sold and the proceeds deposited against construction. It would take months, or more, to make any statement with regard to a matter of that kind. All we are doing is acquiring a great transcontinental system. There may be cases in which lines have been projected, where the company, through inability to finance, has not been able to make the extensions.

Mr. NESBITT: But, if they have sold the bonds on those projected extensions?

Sir THOMAS WHITE: The proceeds would be waiting for the construction to be made.

Mr. NESBITT: In all cases?

Sir THOMAS WHITE: In all cases.

Mr. SINCLAIR: Does not the minister think it reasonable that we should find out what this will cost? Before we embark on a transaction of this kind, we ought to know what the ultimate cost will be.

Mr. MEIGHEN: It must be clear to the hon. gentleman that a transfer of stock of any company in no way affects the obligations, whatever they may be. By this transaction the Government of Canada does not become pledged to pay any debt whatsoever. All it pays for is the stock it is getting. I did not hear the first wire read, but I understand it is in regard to some claims in respect of construction still to go on.

Mr. MURPHY: No. It is a telegram from the Premier of British Columbia referring to a contract between the Canadian Northern Pacific Railway company and the Government of British Columbia, for the construction of some line or lines, and stating that it would require from $22,000,000 to $25,000,000 to complete that contract. The Premier of British Columbia inquired if the obligation was being taken over by the Government.

Mr. MEIGHEN: That obligation would not be taken over by the Government at all, and the reply of the Prime Minister would so indicate. I remember the reply, although I cannot recall its exact wording. The Government does not take over any obligation of the Canadian Northern Railway company. We take over certain stock of the company.

The obligations of the company will remain exactly the same as before. As to what the Government will do, or rather as to what the Canadian Northern will do after it is controlled by the Government, with respect to obligations, I would say that, generally speaking, the disposition would be to carry out any honest obligations entered into in respect of construction. If there is a contract by the Canadian Northern Pacific in respect of construction, it will probably be found that there are moneys against that contract, the proceeds of securities guaranteed by the province of British Columbia; in other words, that the financing practically is already provided for by virtue of provincial legislation and contracts. Consequently while if there is a contract the obligation of the company to carry it out will be the same as before, it will not be an obligation involving net expenditure by the company because there will be moneys against it, the proceeds of guaranteed securities perhaps already realized. There is no reason for the company changing its policy in respect to these roads.

Mr. NESBITT: If they had the money there would be no excuse for not going on with the contract.

Mr. MEIGHEN: Perhaps the moneys that are there are not sufficient to complete the work. Generally speaking, the company would assume the same attitude afterwards as before. It would go on with such contracts as the financial conditions permitted, and I presume the contracts read in such a manner that the option to proceed or not to proceed is open to the company; at all events, whatever was open to it before will be open to it still, and I know of no reason why the policy of the company should be changed.

Mr. NESBITT: What would be the policy of the Government in case contracts had been entered into to build roads that very closely duplicate other roads?

Mr. MEIGHEN: It would depend on the outlook, on the alternative courses open. I do not know of any such obligation binding on the company, and if there was an obligation for the expenditure of money that was not wise I should be very much surprised.

Mr. NESBITT: If the money was given them for a certain purpose it could not be used for another purpose?

Mr. MEIGHEN: No.

Mr. SINCLAIR: The minister has said that what we were doing at present was taking over that stock, which is quite true. But is it not also true that we are embarking on the nationalization of a great transcontinental railway which has certain liabilities scattered over the country very generally, and that when we complete the work we are starting to do we shall own the road free from all encumbrances, and all of these things will have to be paid? I should be surprised if there were not scores of claims of which the Government has not yet heard. While we are only purchasing the stock to-day, is it not reasonable for us to ask the Solicitor General to give a statement of what he expects to pay in the end, what the ultimate liability of the country will be when we secure the road from end to end?

Mr. MEIGHEN: That is all before the House. The responsibilities of the company are shown on the balance sheet, and there is no reason to doubt its correctness. These liabilities are shown on the balance sheet as of the 30th June, 1916. Another balance sheet was taken off on the 30th April, 1917, and another is in course of preparation showing all liabilities of every kind up to the 30th June, 1917.

[Mr. Nesbitt.]

Mr. SINCLAIR: Will the minister give the gross liabilities of record now?

Mr. MEIGHEN: The liabilities will be $578,000,000 less $139,000,000, about $439,000,000. I understand the total indebtedness of the company is under $425,000,000. That is liabilities of every kind and description. There are certain items that appear on both sides of the account, and in this way the total liabilities are reduced to less than $425,000,000.

Mr. NESBITT: Do Mackenzie and Mann own 51 per cent of the $60,000,000, or of the $100,000,000?

Sir THOMAS WHITE: It is 51 per cent of the $100,000,000. That is $51,000,000 of the $60,000,000 outstanding.

Mr. LEMIEUX: The minister has given the total amount of liabilities that Canada is assuming by this transaction.

Mr. MEIGHEN: We are not assuming these liabilities at all.

Mr. LEMIEUX: The company controlled by the Government will have to assume these liabilities. The Government is at the back of those liabilities and will have to make them good. Did the Minister of Finance, when this matter came to a head, convene any financiers, men of high financial ability in Canada, and tell them that the Government was committing themselves to this huge transaction, as he consulted financial experts before issuing his domestic loan? The other day when it was rumoured that the minister would issue another domestic loan, I met some of the bankers on the train from Montreal to Ottawa and I learned that they were called by my hon. friend into consultation upon that loan. I do not disapprove of that; on the contrary, I think it is wise on the part of the Minister of Finance, before embarking upon any such large transaction, to consult, outside of Parliament, the best minds of Canada.

I should like to know whether, when he and his colleagues decided to bring this legislation before Parliament, he consulted outside of Parliament, men like the president of the Bank of Montreal, the largest institution in Canada, which in this country is something like the Bank of England in the Old Country, or whether he consulted men of the ability of Sir Frederick Taylor and other financiers of mark in Canada, before committing the country to this transaction. I should like my hon. friend to answer the point raised by my hon. friend the ex-Secretary of State (Mr.

Murphy). The Minister of Finance (Sir Thomas White) has dismissed, with a wave of the hand, the question which was put by that hon. gentleman. He asked for a list of the shareholders, bondholders and pledgees of the road, and the Minister of Finance simply answered that he did not know, and, as regards the shares of the Canadian Northern, that he understood 51 per cent were controlled by the company. We are supposed to be business men in this House. We are elected to represent the seven or eight million people who compose the population of Canada. We are committing the country to the extent of nearly half a billion dollars. We are now on the eve of making an agreement with the Canadian Northern, with a view to control the balance of the stock. I understand the hon. gentleman says that 51 per cent of that stock belongs to the Canadian Northern. It seems to me that we ought to know with whom we are going to make this bargain. If that stock is really in the hands of Mackenzie and Mann, or the Canadian Northern, or, as was reported this afternoon, partly in the hands of Sir Clifford Sifton, to the amount of $750,000, we ought to know the names of the shareholders of the Canadian Northern. My hon. friend will say, "What does it matter whether A, B or C holds a few hundred shares? You have the agreement before you. Is it a good or bad agreement?" It is important, indeed it is essential, in a transaction of that magnitude, that we should know with whom we are trading, and with whom we are trucking. There is a rumour in reference to the holding of the stock of the Canadian Northern, and my hon. friend (Sir Thomas White) will forgive me if I refer to it here. I do not impugn his personal honour at all in this matter, because the hon. gentleman stated some time ago, and I accepted his word, that he had no longer any connection with the institution which has been mentioned in connection with this transaction but it is rumoured, and repeated in the press—in subdued tones, because the press is chloroformed—and in the clubs, that the men who are behind this transaction, the big shareholders of the Canadian Northern, are effectively controlling the Government. I do not say it is true, but I suspect it might be true.

Mr. GRAHAM: The Government is going to buy out the control.

Mr. LEMIEUX: My good friend the Minister of Finance laughs.

Sir THOMAS WHITE: I cannot help it.

Mr. LEMIEUX: The hon. gentleman knows the political history of Canada for the past twenty years, surely. He was a member of the Liberal party in 1904. What happened then? Is it not a fact that the Canadian Northern in 1904 got control, a few days before nomination in the general election, of a powerful daily in Montreal, which, heretofore, had been supporting the Government; that, under the influence of the Canadian Northern, that paper made a right-about turn, just on the eve of nomination day? Is it not a fact that, at the same time, it was reported that the Canadian Northern would see that three ministers of the Crown would be arrested—Sir Clifford Sifton's name was mentioned as one of them—and that a number of candidates would be bought outright by the company, in order to get control of the Parliament to be elected in 1904? I am not repeating cock-and-bull stories. Let my hon. friend put the question to the member for South York (Mr. W. F. Maclean). He brought the whole matter before the House in regard to the election of 1904, and hon. gentlemen will see by reference to Hansard that he stated that there had been a deliberate conspiracy by that very company to get control of the Parliament of Canada. I am not inventing the story. It is well known, and probably my hon. friend is well aware of it. Did it succeed? The plot failed miserably.

Mr. MEIGHEN: They got a guarantee of bonds from the hon. gentleman's Government.

Mr. LEMIEUX: Let the megaphone of Mackenzie and Mann keep silent for a few minutes. There has never been any insinuation or accusation against any of the members of the Laurier Government on account of that guarantee of bonds, and the hon. gentleman is the first to make the insinuation this evening, but it is only an insinuation worthy of him.

Mr. MEIGHEN: What is the hon. gentleman making this last half hour?

Mr. LEMIEUX: I have not been making any insinuations. I stated two things, that the people are reporting, from one end of the country to the other, that the Canadian Northern have control of this Government, and that, in this transaction, they are the powerful interests represented. I stated what is current in the city of Ottawa, that Sir Clifford Sifton is interested to the extent of $750,000 worth of shares in the Canadian Northern. That explains the

activities of some gentlemen who want to form a win-the-war party, and who want to get a union Government. Such things happen in other countries, where people are perhaps less callous than they are in Canada, but they do not last. In France some years ago, at the time of the Panama scandal, it was proven unfortunately that mostly all the members of the Government and of Parliament were in the hands of the Panama companies, and there was nearly a revolution in France as a result of it. In England when, a few years ago, the Marconi scandal was rumoured, it nearly destroyed the career of the present Prime Minister of England, and there was only the suspicion that he had been given a hint to speculate in Marconi shares.

It is very generally stated throughout Canada that the Canadian Northern owns and controls the present Government, and that we are now embarking on a transaction the object of which is to make richer people who are already millionaires. These people, it is said, are afraid of the future; they think that their private enterprise is not safe, and that it is better they should be made secure by public ownership. I ask the minister to be frank with the country and to state positively who are the shareholders, pledgees and bondholders who will profit by this transaction. I want to know with whom I am dealing. I do not want to act blindly; I want to deal with A, B and C. I want to know these people who will get the money out of the Canadian treasury. I am a taxpayer; I am responsible to my electors for the taxation Bills which come before this House. In that respect I will give my hon. friend my support to a certain extent, reserving my right to criticise what I believe to be unjust. I believe, however, that the Income Tax Bill proceeds upon a right principle. On behalf of my electors, who will be called upon to pay the half-billion dollars involved in this transaction, I want to know to whom this money is going. Tell me, Mr. Chairman, of any transaction—not necessarily a transaction of this importance, but any transaction—in which the parties are not known by their names?

Mr. MEIGHEN: The North Atlantic Trading Company.

Mr. LEMIEUX: My hon. friend, in order to make some defence of the scandalous proposal that we are now considering, is obliged to refer to the North Atlantic Trading Company. Did he approve of the absence of names in that case?

[Mr. Lemieux.]

Mr. MEIGHEN: I was not here.

Mr. LEMIEUX: Why does my hon. friend mention it, then?

Mr. MEIGHEN: Because the hon. gentleman approved it.

Mr. LEMIEUX: Yes, I approved it; but if I was wrong, is the hon. gentleman right to-day?

Mr. MEIGHEN: We are not doing the same thing.

Mr. LEMIEUX: If at that time the Government was misled by its agent in England, is my hon. friend right to-day?

Mr. MEIGHEN: Certainly we are right.

Mr. LEMIEUX: My hon. friend is ready to involve the credit of this country to the extent of $439,000,000, as he said a moment ago; but he will not give to Parliament the names of the parties with whom we are going to deal. I protest most vehemently against that procedure. We have a right to know to whom this money shall go. Otherwise, we shall be compelled to believe that what is being said on the street is true; that you are making wealthier men who are already immensely wealthy.

Sir THOMAS WHITE: My hon. friend has been quite melodramatic; he has indulged in a good deal of what you might call romance. Departing from the sober discussion of facts, he mentioned street gossip and club rumour.

Mr. LEMIEUX: There is no free press; the press is chloroformed.

Sir THOMAS WHITE: I feel sorry for my hon. friend in his distrust of the press.

Mr. LEMIEUX: That is how the news was spread in the old days.

Sir THOMAS WHITE: I think a man's case is almost hopeless when he distrusts the press, because the last safeguard of liberty will be the press.

Mr. LEMIEUX: Not a gagged press, a free press.

Sir THOMAS WHITE: There is not enough money in Canada to gag the Canadian press. My hon. friend is talking about a most important transaction. I usually talk to the House seriously about serious matters, and I shall answer my hon. friend. He has referred to this transaction as being a scandalous one. Let us consider for a moment the situation with which this Government is confronted. Let us go away from gossip and rumour; let us get down to facts. We have been

confronted with a great fact during the last six years, namely, the condition of certain railway systems for which the Government of which my hon. friend was a member was mainly responsible, the Grand Trunk, the National Transcontinental and the Canadian Northern Railway systems. We found the Canadian Northern Railway system, with its branches in three western provinces; with its lines through British Columbia half completed; with its line between Montreal and Port Arthur, upon which the Government of which my hon. friend was a member had given a guarantee at the rate of $35,000 a mile, a total of $35,000,000 uncompleted. We found that the Dominion Government under the Administration of which my hon. friend was a member had pledged its credit in connection with the Canadian Northern's financing. We were confronted, I say, with a grave fact, not with a theory. From time to time we have had to bring down to this House measures of assistance in order that the Canadian Northern Railway company with which was involved the credit of the Dominion, under legislation for which hon. gentlemen opposite were responsible, and with which was involved the credit of the provinces of Canada, might be enabled to complete its system and continue as a going concern. The responsibility for the Canadian Northern railway system was not upon this Government, but the responsibility was upon us of seeing that the system was completed and continued as a solvent, going concern to serve the people. It is idle to talk of the eighteen who signed the manifesto against reciprocity. What has that to do with the Canadian Northern system?

Mr. MURPHY: That is what we want to know.

Sir THOMAS WHITE: What had it to do with the Canadian Northern system, which was in existence long before 1911, when the manifesto was signed?

Mr. MURPHY: If my hon. friend will answer our question and tell us where the stock and bonds are held, we will find out what it has to do with it. If he does not, then we will suspect what it has to do with it.

Sir THOMAS WHITE: As I was saying, we brought down from year to year legislation that was necessary to complete the system and to continue it as a going concern. Last year we announced that the situation had become intolerable whereby the Canadian Northern and the Grand Trunk Pacific were coming to Ottawa each year for the purpose of getting further assistance. I stated that we would appoint a commission, and I indicated that in order to solve this question permanently it might be necessary to take over one or more of the railway systems of Canada—even to nationalize the entire system of railways. This year the Canadian Northern Railway company, for reasons that have been stated a dozen times to the House during the present session, found itself in need of further aid.

We determined to take over that system in order that it might be owned and controlled by and for the people of Canada. What other way of doing it is there than the way in which we are doing it or by expropriation? We have discussed the merits of the two modes of taking over this stock—the one, by expropriation, the other, by purchase of the stock. I do not intend to discuss that now. I am simply leading up to the point at which we are at present, namely, that, in order to save this system and to save the credit of the Dominion and of the provinces, we are taking it over for the people of Canada. What is the mode of taking it over? It is this: The Dominion Government having already $40,000,000 of the stock of the company, there remains outstanding $60,000,000 of stock.

Mr. LEMIEUX: Who owns that stock?

Sir THOMAS WHITE: Fifty per cent, of the entire issue, that is $51,000,000, is owned, as I have stated, by Mackenzie, Mann & Company, Limited. The agreement into which we are about to enter will provide that that $51,000,000 worth of stock will be deposited. Then there will be the right to the other owners and pledgees of the stock to come in and participate. If they do not do so, the Dominion Government may declare their stock to be vested in His Majesty, to be paid for at a price determined by arbitration under the provisions of this legislation. I have stated the position truly to the House. The 51 per cent of stock which, with the Dominions's 40 per cent, will give the Dominion 91 per cent, will come in at once. That leaves 9 per cent of stock. At present I do not know who are the shareholders of that 9 per cent of stock, and I do not believe that is relevant to the consideration of this question, because if the 9 per cent does not come in, the Governor in Council may declare it to be vested in His Majesty to be paid for at the price determined by arbi-

tration. If there is any information which I can get for the committee, I shall be glad to get it but, so far as I can see, the information asked for is not relevant to the consideration of this question, because we get in the 51 per cent which makes operative this agreement.

With regard to the bonds, it would not be possible for this Government, nor for any other Government, to ascertain the bondholders of the Canadian Northern Railway company. There must be tens of thousands of bondholders, principally in Great Britain. There are note-holders in the United States of America. Hon. gentlemen know that bonds and bearer notes pass from hand to hand; there is no registration of them, and the same remark can also be made with regard to stock. My hon. friend would have some difficulty in ascertaining the shareholders of the Canadian Pacific Railway company to-day. He knows there are shares of that company, representing hundreds of thousands of dollars of par value, standing in the names of brokers or held in vaults endorsed in blank.

Mr. MURPHY: Even that would be information.

Sir THOMAS WHITE: I am giving the members of the committee the full information I have respecting this transaction. I have indicated—and I am sure it was unnecessary—why this transaction is being undertaken. It is not a question of buying stock for the sake of buying the stock. The transaction is to save this railway system as a going concern for the people of Canada, and the method we have adopted is by buying the stock. Let me ask my hon. friend from Rouville (Mr. Lemieux), who speaks about rumour and gossip connected with this transaction and who insinuates some impropriety in connection with it, would I be justified in making any insinuations in reference to the guarantee of $35,000,000 which the late Government gave in connection with the Canadian Northern from Montreal to Port Arthur; or with respect to the guarantees given in connection with the Grand Trunk Pacific and with the contracts let on the National Transcontinental, unless I had evidence to sustain them? Would I be justified in saying that there were rumours at that time respecting those transactions? I do not believe I would. This transaction is entered into for the purpose of saving the Canadian Northern Railway system. It seems to me to be the only way in which that can be done, unless you continue to give aid from year to year. My hon. friend (Mr. Lemieux) voted, in 1914, for a resolution in which his leader moved that the Dominion Government should acquire this stock by arbitration, precisely in the mode in which we are acquiring it, and he named a maximum price of $30,000,000. Supposing to-night I ask my hon. friend: Whom was he trying to help on that occasion? Would he not be justified in saying that I was unjust in my insinuations? My hon. friend is on record as having voted for that resolution. The real fact of the matter is that this talk is largely political, and my hon. friend knows that perfectly well. It is a pity, in connection with a transaction of this magnitude, undertaken for the purpose I have indicated, should be made the subject of baseless rumour and insinuation. The course my hon. friend has seen fit to adopt is not justifiable. There is nothing new about legislation brought down to assist railways in this country, the problem of transportation being as it is of the utmost importance to the community as a whole. Every year legislation of this character is brought down. Why then upon this occasion should there be any insinuations based upon what my hon. friend has termed " street rumour " or " club gossip "? I protest against the insinuations of my hon. friend. The transaction has been undertaken for the reasons I have given; it is one of the most important transactions ever before Parliament. I am always prepared to discuss seriously, before the House or in committee, any transaction for which I may be sponsor, but my hon. friend is not fair to members of the Government when he puts forward insinuations upon unsupported evidence. He has stated that Sir Clifford Sifton is an owner of some of the stock of the Canadian Northern Railway company. I can state to my hon. friend, as I have stated before, that I have absolutely no information as to the stockholders of the Canadian Northern Railway company, with the exception that I believe Mackenzie, Mann & Company, Limited own 51 per cent of the capital stock which could be lodged so as to make this agreement operative.

Mr. LEMIEUX: I have never impugned the fair name and personal honesty of my hon. friend; I have never made any insinuations against him; I believe he is acting in good faith; but I repeat this again: If he is anxious that those rumours should cease, he should do what any man of business ability—and the minister can claim

to have business ability—would do in a circumstance such as this. As he states, this is one of the greatest transactions that have come before this Parliament since Confederation. I do not believe, with the exception of the Canadian Pacific and the Grand Trunk Pacific, there has ever been a transaction of this magnitude. I ask in all fairness—are we not entitled to have at least the names of the parties who are going to benefit by this transaction? My claim is that the Canadian Northern is only a blind. We are going to pay out a large sum of money—whatever value will be attached by the arbitrators to the balance of that stock.

Besides that, we are assuming all the liabilities of the Canadian Northern company. I ask again, are not the common people of this country, whom you and I, Sir, represent, entitled to have the names of the parties who are going to benefit by this transaction? If there are no shareholders besides Mackenzie and Mann, well and good; it will be easy for us to discuss the transaction. The minister knows the secretary of the company, and with a stroke of the pen he could get this information from him.

Sir THOMAS WHITE: If he has it.

Mr. LEMIEUX: They have a list of the shareholders and of the pledgees, and they know where the bonds are. Surely Parliament is entitled to this information. My hon. friend says that this is a big order, and complains that I am suspicious. Am I not right in being suspicious, Mr. Chairman, when I hear the Solicitor General waxing eloquent about this transaction, defending the reference to the arbitrators, and calling black to-day what he called white in 1914 on this very question. Speaking on this question in 1914 my hon. friend said (Hansard, page 3693):

> Or, if we choose, we can ourselves, by Act of Parliament, legislate that that road is the property of the people of this country and that the interests of all persons whatsoever outside of the people of Canada are eliminated.

That is what my hon. friend said in 1914.

Mr. MEIGHEN: It is quite true, too.

Mr. LEMIEUX: Perhaps my hon. friend will say whether the next sentence has the same ring of truth with it. My hon. friend had just said that we were passing this legislation to save the Canadian Northern from default, and, speaking of clause 24, he said:

> The idea of that is that we are at this time making the interested parties and all stockholders parties to this contract and we say to them: We now and here bind you that should the day of default come you shall not appeal to the Parliament of Canada on the ground of your road being confiscated in any way whatever, but you here and now leave the Parliament of this country free from any such question and untrammelled in every way to deal with the property of the Canadian Northern as it may be advised in the interests of the people of this country. That is the summary procedure outlined here for taking over the road.

Hon. gentlemen might well drown those words in applause, because they are the condemnation of this transaction by my hon. friend. The company has gone to the wall; it cannot meet its liabilities. In 1914 we passed legislation to the effect that the moment the company went into default the axe would drop under section 24. My hon. friend gave notice to the stockholders, to Sir Clifford Sifton and others, that they could not come here and get value on that stock after the property has been confiscated. And yet, to-day, the Government come before Parliament and say: "We must save this company or the credit of Canada will be impaired." It was stated this afternoon that it would be much better to send the whole business into the hands of a receiver than to impair the credit of Canada to the extent of half a billion dollars. My hon. friend, who is quick at figures, will perhaps tell me just what the liabilities amount to per capita of our population. I have not made the calculation myself, but I ask my hon. friend was he not affrighted when he took this leap in the dark? He knows that our war debt to-day is over one billion dollars, and before the war is over it will be a very much larger amount. The population of this country is seven million or a little more, and yet my hon. friend comes before Parliament and coolly says that we must give the company more compensation. It is true that they are in default. It is true they have built their system with the public moneys of Canada and of the various provinces. It is true that we have ladled them out tons of silver and gold. Notwithstanding all that, during this terrible war, when the essential thing for Canada is to maintain unimpaired her credit in the financial markets of the world, my hon. friend says: "Yes, I have considered all that, and I now come before Parliament and insist that the Canadian Northern be satisfied." You may say what you like, Mr. Chairman, but I say that this is a scandalous transaction, and we should be given the names of those who are to benefit by it. The public have no voice in this matter, the press being absolutely silent, because it has been silenced, as it happens,

unfortunately, in many democracies. It was silenced in New York by the ring that ran New York for so many years, and who, by the way, ended up in Sing Sing. It was silenced in San Francisco until the citizens took the law into their own hands. It was silenced in Chicago a few years ago when a few men were directing the municipal government of that great city, but the day came when a few honest voices were heard, and then the boodlers disappeared and public opinion came into its own.

In conclusion, I want to ask any of those hon. gentlemen who drowned in applause the words of the Solicitor General which I quoted a moment ago, whether they have seriously considered this question. Have they consulted their electors about it, and has it their approval? Were they ever authorized by their electors to countenance this legislation? I will not be stampeded by any one. I represent the farmers of the county of Rouville. I represent the people of this country.

Mr. SMITH: Quebec.

Some hon. MEMBERS: Shame.

Mr. LEMIEUX: Do not blame him. He wants to get a senatorship. The hon. gentleman will shortly be one of the C.O.D. senators. So we can well understand why he stands so firmly, not for the people of this country, but for Mackenzie and Mann, the masters of this Administration.

Mr. MEIGHEN: It must be a very great solace to the heart of the hon. member for Rouville (Mr. Lemieux) to get off one or two of these orations occasionally.

Mr. LEMIEUX: I am not a megaphone.

Mr. MEIGHEN: Did you, Mr. Chairman, ever see so fine a spectacle of the form, trappings and the suits of oratory without the substance at all? The hon. gentleman has at last reached that pitiable state of mental hopelessness where he is in the condition ascribed by Macaulay to Southey of being able to believe without reason and to hate without provocation. He also seems to have abundant time for standing around street corners and listening to gossip, or sitting around the club, hearing something there, and retailing it before this Parliament, which, I must say, has much better to do than listen to street corner gossip. "The masters of the Administration," because we offer, because we propose, to take from them their stock and pay its value arbitrated by a competent tribunal. Who were the masters of the Opposition in 1914, when the very same thing was proposed? Who was the master of the hon. member for Rouville when he wanted us, in 1914, to take the same stock for $30,000,000 at a maximum, and pay it to the very same men? Before he voted for that resolution, in 1914, why did he not stand in his might, and majesty, and grace, and demand that we know to whom that $30,000,000 was going? Why did he not ask the leader of the Opposition, whom he was following, to take care that this money did not get into tainted hands? Will he answer? Was he chloroformed then, as he says the press is chloroformed to-day? Ah, the chloroformed press! What is the press that is chloroformed? Is the press to be described as chloroformed because it cannot follow the vaccillating, deviating, methods of hon. gentlemen opposite? How can it follow those hon. gentlemen now, if it followed them three years ago? Is the press expected to turn, because hon. gentlemen turn their backs on their representations? What is the chloroformed press? Is the Toronto Star chloroformed by Mackenzie-Mann money? Is that the insinuation? The Toronto Star approves of this transaction, and approves of this policy. Why does not the hon. gentleman answer? Is the Toronto Globe chloroformed by the money of Mackenzie and Mann? The Toronto Globe will thank the hon. gentleman for his insinuation. After to-night, the last man to mention insinuation in this House should be the hon. member for Rouville—standing here and regaling us with street gossip, and then lecturing us on insinuations. I do not know who are the stockholders of the Canadian Northern, and for my part I am not interested in knowing. I would deal with those stock-holders just the same if the stock were held by the Angel Gabriel as if it were held by His Satanic Majesty?

Some hon. MEMBERS: No doubt.

Mr. MEIGHEN: It did not make any difference to the hon. gentleman in 1914 whether he had the information or not, but it has become of great importance now, because he thinks he can throw some nasty thought into the minds of the people of Canada which he does not believe for a minute himself. Never until to-night have I heard the name of Sir Clifford Sifton mentioned in connection with the stock of the Canadian Northern, I had never heard it until I heard it from the lips of the hon. member for Russell and expatiated on later by the hon. member for Rouville. I know Mackenzie and Mann, Limited, are the owners of fifty-one per cent of the stock, and I know those are the only persons with

whom we have to deal. I know that, once we make our agreement with them, the others, whoever they may be, have to take their luck on the valuation fixed by the tribunal which values the stock of Mackenzie and Mann Limited. I know nothing whatever about it, but I would be surprised if Sir Clifford Sifton owned a dollar of this stock. I am ready to give the committee not only all I know but all I have any reason to believe as being correct. Fifty-one per cent of the stock is owned by Mackenzie and Mann. Forty per cent is owned by the Dominion of Canada; that is ninety-one per cent. Only nine per cent is left. A substantial part of this nine per cent was owned in England—and I suppose is owned there yet— in respect of a certain bond issue, or more than one bond issue, which was financed or underwritten by a banking firm there. I understand this banking firm got a certain amount of stock as a bonus for the underwriting of the stock. I am not sure if I remember correctly the name of the firm, but if my recollection serves me right it is Lazards. I also understand a director of the company over there, Mr. Horne Payne, owns a portion of the stock I do not know whether that is correct or not. Then the Government of British Columbia has a substantial portion of this nine per cent, which it holds as security for certain construction work of the Canadian Northern Pacific still incomplete. I am speaking subject to correction, and only from my recollection of the information given. I understand the government of British Columbia holds about $1,500,000; in any event, it is a substantial sum. Beyond that, I have never had the slightest information, beyond that I have never made the slightest inquiry, and could not give the committee a particle of information more than I have given. So far as I am aware, no member of the Government has any more information, and I doubt if any member ever happened to get that much.

Mr. LEMIEUX: Could you not exact that information from the company?

Mr. MEIGHEN: I presume the company could give the stockholders recorded on their books.

Mr. MACDONALD: Why don't you get it?

Mr. MEIGHEN: Because it makes no difference in the world. Why did not my hon. friend get it three years ago?

Mr. MACDONALD: Does my hon. friend say to this House and this country that it makes no difference who the owners of the stock are?

Mr. MEIGHEN: Undoubtedly it makes no difference. We are dealing with Mackenzie and Mann, Limited, the owners of fifty-one per cent of the stock,

10 p.m. and it does not make five cents difference to the country who owns the rest of the stock.

Mr. MACDONALD: My hon. friend says that Mackenzie and Mann are the registered owners of five-sixths of the stock of the Canadian Northern railway. If he knows that, why does he not tell us who are the owners of the one-sixth?

Mr. MEIGHEN: Because I don't know.

Mr. MACDONALD: Why should they not tell us?

Mr. MEIGHEN: It is not of any importance whatever. If the hon. gentleman will just wait a moment, I will ask him a question. Before he voted for the same resolution in 1914, to submit the same stock to arbitration at a maximum value of $30,000,000, why did he not insist on getting the information he now seeks?

Mr. MACDONALD: My hon. friend is harping on that. This afternoon, for instance, he undertook to say that I moved in the House three years ago that the proposition should not be considered for six months. That is the species of casuistry my hon. friend deals in. He knows what I moved was a parliamentary motion. He knows that he and his Government voted down the motion of the hon. member for West Middlesex (Mr. Ross) that the whole question should be investigated. And he knows that when this motion was voted down my proposition with regard to getting the stock was suggested simply as an alternative.

Mr. MEIGHEN: What has that to do with the question I asked? I asked why the hon. gentleman supported an alternative—a third, or fourth, or sixth, I do not know which it was—why did he support that alternative without the very information he is demanding to-night?

Mr. MACDONALD: Because my hon. friend had, as a member the Government, voted down a resolution moved on this side of the House, asking that the information should be given.

Mr. MEIGHEN: Not at all, there was no such resolution.

Mr. MACDONALD: I beg my hon. friend's pardon. The resolution of the hon. member from West Middlesex was a direct

resolution asking for an investigation into the general affairs of the Company.

Mr. MEIGHEN: But, not asking an investigation as to who owned the stock. After Parliament voted down the resolution that would have required the names of the stockholders, why did the hon. gentleman support a resolution to pay shareholders whose names he had not?

Mr. MACDONALD: We would have found it out had the resolution of the hon. member for West Middlesex carried.

Mr. MEIGHEN: Why did he not vote against it? What was the good of finding out who they were after the money was voted?

Mr. LEMIEUX: It was suggested to the Government. The Opposition did not pay it, the Government paid it.

Mr. MEIGHEN: The same proposal precisely, the same principle that hon. gentleman voted for on their own motion in 1914 without inquiry as to who owned the other one-ninth of the shares, they are now opposing, and they say the country cannot deal with the stock until they know who owns it. I know of no objection to getting any information as to who owns the stock. Nobody ever said he would not get the information. I contend that it is not of importance to the committee, but if the committee considers that it is, I see no objection to getting any information available. I never considered that it made the slightest difference to the country, for whom I was acting, whether the stock was owned by Tom Smith in England or John Brown in Canada. I know that Mackenzie, Mann & Co., Limited, own the greater part of the stock and I presume that this country will presume that the people of Canada will do just as fairly by any individual in this country or any other country as by Sir William Mackenzie or Sir Donald Mann.

Mr. MURPHY: The hon. gentleman has said that Mackenzie, Mann & Co., Limited own 51 per cent of the stock. Will he say whether this stock or any portion of it is pledged, and if so, with whom?

Mr. MEIGHEN: I do not know that I can say to whom it is pledged. Some is pledged to the province of British Columbia but I think the bulk is pledged to their bankers as security for various advances, which advances to a considerable extent I understand were made in respect to undertakings the primary object of which was to bring freight to the company. I do not know the proportion, however, which can be said to be attributable to advances of that nature. My information is, speaking from recollection although I did not pay very close attention, that the whole of the stock is pledged and pledged in support of advances, and particularly to the bankers of Mackenzie and Mann.

Mr. MURPHY: Who are the bankers?

Mr. MEIGHEN: The Canadian Bank of Commerce.

Mr. MURPHY: I have to express my personal thanks to the Solicitor General for the information which has just been extracted from him. If we had got that information earlier in the evening we would have made very substantial progress. Let me point out what has been going on in this House recently. Within the last two weeks the business of this House has on many occasions been transacted without the quorum required by the rules of Parliament. We have voted estimates without the necessary quorum. We have, indeed, enacted laws without the necessary quorum being present. Now, when a quorum is present, we are asked to pass, perhaps, as important a piece of legislation as ever came before Parliament, without having the information before us which would be insisted upon and exacted by the smallest company doing business in Canada.

Let me illustrate the position of affairs. My hon. friend the Minister of Finance (Sir Thomas White), in speaking of the relations between this Government and the Canadian Northern railway, said that this Government came into power and found the Canadian Northern system. I submit that my hon. friend rather inverted the order of things—the Canadian Northern Railway system found my hon. friend and several of his colleagues and put them in power. That was the order of the happening. That having happened, let me illustrate the position of affairs. Up to that time the Minister of Finance had been the capable manager of the National Trust company. In that capacity he occupied a fiduciary position. He was, in point of fact, the trustee for those who had their investments in that company. To-day he occupies an analogous position with relation to the people of Canada. Now, while my hon. friend was manager of the National Trust company, if he had gone to a meeting of the board of directors of that company and had said: Gentlemen, here is a transaction through which I

propose to acquire for this company, we will say a railway, here is certain information with regard to it. If he had then been asked: With whom are we dealing, who are the beneficiaries, to whom our money is to be paid? And if my hon. friend had said: Well, I do not know these gentlemen, I do not know who they are—then I submit he would have been told to go and find out who these gentlemen were and not to come back to the board meeting until he had that information. The position is exactly analogous here. The hon. gentleman comes here in a trust capacity. He asks this committee and this Parliament to enter into a transaction, and when he is asked with whom, he says: I do not know. In effect, that is what he says, that personally he has not the information for which the Opposition asks. I for one, having had to endure the spectacle of business in this House being transacted, with regard both to estimates and to legislation, without a quorum, do not propose to sit here and take part in a transaction of this kind without registering my protest against the putting through of this legislation unless we are given the information for which we have asked, information which the Solicitor General has said, in part at least, is reasonable by virtue of the fact that he has furnished some of it himself, where this stock and where these bonds are registered. There are records, and what these records disclose should be made known to us. I agree that it may be impossible to find out at the present moment the stock holding and the bond holding, but at least we should have a knowledge of what the last registration discloses. Without that, I submit, it is improper in the highest degree to ask this committee to proceed with this legislation. I register my protest against such proceedings on the part of the Government.

Mr. NESBITT: I know that the Solicitor General does not wish to misrepresent any one, and so, before leaving that question of the resolution voted on in 1914, I wish to say that the resolution set forth that the whole of the stock was to be pledged with the Dominion Government for a period of five years, and if Mackenzie and Mann in that time were able to make a success of the operation, they were to be handed back the stock which was to be held in trust. Thus, at the end of five years, it would not have been necessary for the Government to find out who held the stock, because they would have held it themselves.

Mr. MEIGHEN: That was on a previous resolution moved by the hon. member for St. John (Mr. Pugsley).

Later on the bald resolution was proposed, seconded by the hon. gentleman from St. John, to the effect that no aid should be given until the contract was made with the shareholders for the acquisition of the stock in a reasonable time, the value to be fixed by arbitration, but not to exceed $30,000,000.

Mr. NESBITT: That was in the first resolution.

Mr. MEIGHEN: That was the bald resolution moved on the third reading, seconded by the hon. member for St. John. In explaining why the second resolution differed from the first, the hon. gentleman said it had to be changed in order to comply with the rules of Parliament. He made it clear that the Opposition had to change their policy in order to keep straight with the rules. This second resolution was to the effect that contract should be made for the acquisition by the Government of that stock within a reasonable time, the value to be fixed by arbitration, but not to exceed $30,000,000. It has been argued that that resolution meant that the Government was only to take it up if the Canadian Northern got on well, and took care of its obligations. But the very contrary is the fact. The leader of the Opposition moved that resolution, and in his speech on that occasion said that the would not, under any circumstances, favour taking over a railway that was getting on all right, but the only reason for moving that resolution was because the railway was continually coming back to Parliament, and could not pay its debts. If the railway got on, it was better to leave it in private hands, because he said he was against public ownership. The very opposite principle was laid down by the hon. leader of the Opposition, who moved the resolution, to the principle hon. gentlemen on the other side now seek to advance.

Mr. NESBITT: Has the hon. gentleman that resolution before him?

Mr. MEIGHEN: Yes. At page 4634 of the Hansard of 1914, the resolution appears, and reads as follows:

> That the said Bill be not now read a third time, but that it be resolved that, under existing circumstances no assistance should be given to the Canadian Northern Railway unless at the same time it is provided that the Government have power, within a reasonable time, to acquire the ownership of the entire stock

of the company at a price to be fixed by arbitration, but not to exceed $30,000,000.

Mr. SINCLAIR: The answer to my hon. friend is that if he had voted for that resolution the country would have saved $15,000,000, because he was proposing to advance $45,000,000?

Mr. MEIGHEN: No, we would have to pay the $15,000,000 anyway, because that sum was to cover necessary expenses for betterment and interest on outlying securities. That money would have to be paid if the Government owned the road, just the same as if the company owned it.

Mr. SINCLAIR: The hon. gentleman has voted to advance $60,000,000 since that resolution was moved. If he had adopted the resolution moved on this side of the House he would have saved $30,000,000.

Mr. MEIGHEN: No, the resolution said that if we had adopted that agreement we would advance $45,000,000, and would be able to get the common stock at $30,000,000 extra.

Mr. OLIVER: I think this committee has something more important to deal with than what occurred three or four years ago. I submit that, whether our policy was well-judged or ill-judged has nothing to do with the responsibilities resting on the shoulders of the Government to-day. It is only fair, however, to consider the difference in the circumstances between the conditions three years ago and conditions to-day. At the time these matters were under consideration three years ago Parliament was considering the guarantee of $45,000,000 of bonds of the Canadian Northern. The guarantee had not been given, but was under discussion. At that time war had not broken out, and conditions were vastly different from those existing to-day, so that I do not think it is profitable, or to the point, that we should be instructed as to what one member or another member on this side of the House did three years ago, under circumstances entirely different. What was done then was done for good and sufficient reason, and what is being done to-day is being done for good and sufficient reasons, on our side of the House at any rate. Does the Government realize the difference between the conditions as they exist now, and as they were three years ago, when they gave that guarantee of $45,000? What was the debt of Canada at that time? Was it $300,000,000? What is it to-day? $1,200,000,000, or thereabouts, as I understood the Finance Minister to say. Are the conditions the same in assuming a responsibility such as this, with a debt of $1,200,000,000, and the debt piling up and piling up, as it must do for an unknown period? Whether we considered wisely or not in 1914, we should consider wisely to-day where our money is going, what we are going to do with it, and where it is going to come from. If we are to meet the stupendous obligations that have piled up against us, and are piling up against us from day to day, which arise from circumstances not under our control, should we not take every care to restrict the growth of obligations that are under our control? Is that not a reason why we should most carefully consider the taking over of the vast responsibilities of the Canadian Northern railway, if that could possibly be avoided, and is it not a reason why we should consider carefully the payment of money for something that has no value? We are to buy $60,000,000 of the stock of this Canadian Northern Railway company, for what purpose? To give us control of the railway company and of the railway. We do not need to buy $60,000,000 stock of the company in order to get control of it. Mackenzie and Mann have control of the railway to-day and they have only $51,000,000 of that stock, and we could have control of the railway just as complete as Mackenzie and Mann have, if we acquired $11,000,000 of the stock. Therefore, the purchase by this Government of the difference between $11,000,000 and $60,000,000 of stock has absolutely no warrant whatever, except that it is in the nature of a hand-out to the parties concerned. Has Canada money to throw away under such circumstances? Is it confiscation to leave in the hands of whoever may happen to own it to-day $49,000,000 of the stock that they own? There is no confiscation about that.

Mr. MEIGHEN: Does the hon. gentleman think it would be fair to the people of Canada to acquire eleven per cent more, own fifty one per cent, take control, and thereby finance the company, continue to finance it, and leave in the hands of private stockholders forty-nine per cent, which stock would get the whole benefit of that financing, and ultimately become of great value?

Mr. OLIVER: I am not so sure that the stock will ultimately become of great value, as a result of Government operation of the road, but I am sure it will become of great value as a result of this bargain. I am satisfied the arbitration provided for

in this Act will in fact, as in intent, convey to the owners of that stock money out of the treasury of Canada out of proportion to the value of the stock as a business proposition. It will mean depletion of the treasury of Canada; it will mean injury to the credit of Canada, for the benefit of the parties interested in that stock. Now we know who is interested in the stock; it is not Mackenzie and Mann, but the Bank of Commerce. It is not a matter of rumour or of supposition that the Bank of Commerce is one of that financial group in Toronto that has a strangle hold on the progress and prosperity of this Dominion; that group to render advantage to which this Government exists and for the benefit of which the Government has shaped its legislation since it took office. To-day, for the advantage of that member of the group, it proposes to make such a raid on the Dominion treasury as never was made in the history of the Dominion.

Mr. MEIGHEN: Is that not the Cox group that my hon. friend refers to?

Mr. OLIVER: I could not say; I do not know.

Mr. MEIGHEN: That is the way I have heard it described—as the George A. Cox group.

Mr. OLIVER: Who is Mr. Cox?

Mr. MEIGHEN: It is known as the Cox group. Senator Cox was at the head of the group at that time.

Mr. OLIVER: Where is the gentleman whose name the Solicitor-General has used?

Mr. MEIGHEN: He is dead.

Mr. OLIVER: For what purpose does my hon. friend drag a dead man's name into this discussion?

Mr. MEIGHEN: I did not drag any name into this discussion.

Mr. OLIVER: My hon. friend did.

Mr. MEIGHEN: Has my hon. friend never mentioned in this House the name of one who had departed?

Mr. OLIVER: I am not talking about what I have done; I am talking about what my hon. friend has done.

Mr. MEIGHEN: I have never dishonoured the name of any man in this House. I mentioned the name of George A. Cox in connection with the group mentioned by my hon. friend. I do not impugn either him or the group.

Mr. OLIVER: Precisely, the group that is a menace to Canada.

Mr. MEIGHEN: I did not say so.

Mr. OLIVER: I say so.

Mr. MEIGHEN: You lampooned him, I did not.

Mr. OLIVER: No, I did not. George A. Cox has passed from this life; he is before another Judge than this Parliament. I did not bring his name here. I am dealing with men who are alive, and who are sitting before me in this House. I say that no such raid was ever made on the treasury of Canada as is being made under the terms of this Bill for the benefit of the Bank of Commerce, by a Government which sits here in large measure because of the exertions and activities of the Bank of Commerce and their allies in the city of Toronto.

I was struck by the suggestion of the Minister of Finance when he deplored the idea that the criticism made by the member for Rouville (Mr. Lemieux) had a political tinge. My hon. friend knows that he and his colleagues sit in the House as the result of one of the wickedest fake campaigns ever carried on in Canada; the most insincere, the most untruthful, the most discreditable that ever took place in this country. Yet my hon. friend deplores the idea of discussing matters that could be construed as having a political connection with a subject that is of the most vital interest to the people. If this proposal is being made honestly in the public interest, why is is not put before Parliament in an honest manner? Why are the facts as to the liabilities, the obligations to be assumed by the people under this measure, not stated in so many words?

Sir THOMAS WHITE: I think the information that my hon. friend speaks of has been given very fully. The balance sheet of the last fiscal year of the Canadian Northern showed the liabilities as of June 30, 1916 I filed the other day a further balance sheet showing the assets and liabilities as of the end of April, which is the latest date at which it is possible to obtain such information. I have given, I think, all the information asked for. I have taken the trouble to have Hansard gone over very carefully with a view to seeing whether any information asked for by the committee had been overlooked. I may have a good many faults, but I do not believe that one of them is that of denying information to Parliament.

Mr. OLIVER: I am not accusing my hon. friend of denying information; I am saying that the most important Bill that has come before Parliament for many years does not contain the facts and the figures, or set forth the limitations in such manner as to give us to understand how far-reaching it is. It is not a matter of balance sheets; it is a matter of obligations expected or intended to be undertaken. When we asked the minister to-night what was the attitude of the Government with regard to the liabilities of the company, he told us that if there were funds in hand to pay those liabilities, they would be paid. But what will happen if there are no funds in hand to pay such liabilities? Those claims that may be made on construction or other account, are they to be paid, or are they to be repudiated? The committee wants to know just how far the Government is going to go in these matters. In one breath we are told that this does not mean any assumption of liability at all beyond the payment for the stock.

Sir THOMAS WHITE: That is the legal position.

Mr. OLIVER: Is that the position the Government is going to take? Because if it is, then we understand the situation. But surely the Government is not going to take that position. Surely the honour of Canada demands that the Government do not take that position; that they do not step into the shoes of the Canadian Northern Railway company and deal with claims against that company as the company has been dealing with them. If that is what the Government intends to do, then the Government should say so in so many words. It is on such a point as that that I claim the Government has come to us without satisfactory information. We have the right to know what is the attitude of the Government with regard to that matter. We have a right to know also how far the Government considers itself to be obligated to carry out the undertakings of the Canadian Northern Railway company; we have not been informed on that subject. In this Bill we are authorizing the Government to do anything it pleases with the Canadian Northern railway without further authorization from Parliament and without accounting to Parliament for it. When such a transaction amounts to hundreds of millions of dollars, this Parliament will be falling very far short of its duties and responsibilities if it does not at any rate demand the information that will let the country know what is the measure of the liabilities assumed, and what is the nature of the obligations taken upon our shoulders by the terms of this Bill.

There is a feature of this case that it is only fair we should draw to the attention of the committee and of the country when we consider the associations of the transaction. There is outstanding nearly $150,000,000 of the unguaranteed bonds of the Canadian Northern Railway company. If that company is in default, if it is unable to pay the interest on its bonds, I presume those unguaranteed bonds will stand at a very low market value. They will not be worth par; I presume they will not be worth nearly par; in fact, I do not know what they will be worth; but I know that the day the Government, with a sufficient majority at its back, announced to the people of Canada that they were going to assume the control of this railway, that very day, those bonds rose to par.

Sir THOMAS WHITE: No, they did not.

Mr. OLIVER: I know they appreciated very largely in value, and I know those who had knowledge of the relations between the Canadian Northern and the Government were in a position to reap stupendous profits from that knowledge because of that increase in value. This whole transaction from beginning to end is one that does not appeal to the people of Canada as being an honest transaction, to say nothing about its being a provident transaction. We are to be compelled to pay out of the treasury of this country sums which may amount to $60,000,000 for that which is to-day our property under the statute of 1914; and we are doing that at a time when we are passing the hat to get money to maintain the dependents of our soldiers in the field; at a time when the women of Canada are knitting socks to be provided free to our soldiers; at a time when we are implored to save and serve; at a time when we are told that we must cut out personal extravagance of all kinds, we must restrict individual expenditure in every line, we must restrict what we eat and what we wear; at a time when we are not able to meet, as we should do, all the demands made upon us because of the exigencies of war—at that time, upwards of $60,000,000 is to be taken out of the treasury of Canada to be handed over to the Canadian Bank of Commerce in order that we may have the privilege of carrying the present obligations of the Canadian Northern Railway company and the further inestimable privilege of mismanaging the 9,500 miles of the track which that company owns.

Mr. MACDONALD: I was surprised, coming into the House late in the evening, to hear the Solicitor General, with that superior air which he has chosen to assume towards hon. members during the last year or two since his vanity has been flattered by the Conservative press of the country, telling the committee that he did not know who were the owners of this stock and that he had not taken the trouble to inquire. In other words, this Government has reached the summit of audacity in regard to this matter. At a time when, as my hon. friend from Edmonton (Mr. Oliver) has told us, the Food Controller is telling us that we cannot eat what we want on two days of the week, when an enormous debt is being piled up on the shoulders of the people of this country, so that the Minister of Finance has been reduced to the lowest depths to which any Minister of Finance has ever been reduced, a responsible minister of the Government has the audacity to tell us that this Government desires to enter into a bargain with some people but he does not think it worth while to find out who they are. Ever since 1914, when, owing to the fact that we have in this Government a Minister of Railways who does not present to Parliament the propositions which his department fathers, the Solicitor General has been given important work to do in connection with railway matters, his vanity has been flattered by the Conservative press. Since his promotion to the Cabinet he has assumed a curious air of superiority to his fellow-members in this House. He affects an air of lackadaisical lack of interest in regard to matters. He always waits until just before the conclusion of a debate before he ventures, with his august majesty, to present his opinions upon any ordinary question that may interest this House; and when he does so, he takes occasion to make statements which he knows he would never venture to make if other hon. gentlemen had an opportunity before the debate closed of replying to them.

Mr. W. H. BENNETT: Never.

Mr. MACDONALD: The would-be senator sitting on the door-step waiting until the House rises—

Mr. LEMIEUX: He is not in the Senate yet.

Mr. W. H. BENNETT: Perhaps the hon. member will never be there, because that requires a property qualification.

Mr. MACDONALD: I am willing to be classed with the poor men and not with the nabobs of this country.

Mr. McKENZIE: Perhaps my hon. friend will marry wealth.

Mr. MACDONALD: My hon. friend from East Simcoe (Mr. W. H. Bennett) has not shown any great desire for the conscription of wealth. He is anxious to conscript anything but the money he has. He is conserving his wealth until he gets into the Senate, into which he has not shown very great signs of getting.

Mr. W. H. BENNETT: Very well.

Mr. MACDONALD: He is standing by the wayside. When we find an hon. gentleman like the hon. member for East Simcoe who has been doing the dirty work of the Conservative party—

Mr. W. H. BENNETT: I rise to a point of order. I ask that the hon. member withdraw the expression that I have been doing the dirty work of the Conservative party.

Mr. MACDONALD: To what does my hon. friend object?

Mr. W. H. BENNETT: To the use of that expression.

Mr. E. M MACDONALD: What kind of work has my hon. friend been doing?

Mr. W. H. BENNETT: I ask the Chairman to rule on the point of order.

The CHAIRMAN (Mr. Dugald Stewart): I do not think the language used by the hon. member is parliamentary.

Mr. MACDONALD: What part of it?

The CHAIRMAN (Mr. Dugald Stewart): That the hon. gentleman has been doing dirty work. That is my ruling.

Mr. MACDONALD: I would be very glad to qualify the expression if I could, in any other manner, fitly describe the performances of my hon. friend in this House.

Mr. W. H. BENNETT: I rise to a point of order—

Mr. MACDONALD: Let me finish. The use of the particular adjective, which, under your judgment, Mr. Chairman, is contrary to the rules of debate, I am willing to withdraw. My hon. friend, who is known to have been disappointed on different occasions during the session when people were appointed to the Senate, can allow the Solicitor General and myself to discuss this question without interruptions from him. The Solicitor General this afternoon, in that characteristic way of his of challenging somebody on the other side of the House to do something which he knows that other to be prevented from doing under the rules of

debate, challenged me this afternoon to show where he had declared that section 24 of the Canadian Northern Railway Act of 1914 meant an absolute foreclosure of the interests of that railway.

Mr. MEIGHEN: I did not say that.

Mr. MACDONALD: What did my hon. friend say?

Mr. MEIGHEN: I said that I had never stated section 24 to mean that on default the equity of redemption automatically became the property of the Government. I stated most clearly that it did mean the foreclosure, and on such terms and conditions as Parliament should prescribe.

Mr. MACDONALD: My hon. friend is sidestepping.

Mr. MEIGHEN: Not in the slightest.

Mr. MACDONALD: My hon. friend did not use that language this afternoon. He challenged me to prove that the effect of section 24 was that this Parliament had the right, in case of default, automatically to take over the road without compensation.

Mr. MEIGHEN: I did not say that either.

Mr. MACDONALD: I will read what my hon. friend said in 1914, and we will see how far it differs from what he said this afternoon. Let me say this: If section 24 of the Act of 1914 gives this Parliament the right absolutely to declare that the equity of redemption in all the property of the Canadian Northern could be foreclosed without compensation, then my hon. friend had no right to challenge me on the subject this afternoon.

Mr. MEIGHEN: I stated then, and I state again now, that we have the right to do it. I stated that the shareholders placed themselves absolutely in the power of this Parliament, who are to exercise that right in such a way as would be in the interests of this country.

Mr. MACDONALD: My hon. friend went farther than that in 1914.

Mr. MEIGHEN: Not at all.

Mr. MACDONALD: My hon. friend is the greatest sidestepper in this House. He pronounces with more assurance, whether natural or acquired, on questions of law than any judge on the bench would assume. My hon. friend is on record as to the meaning of section 24, and in the light of his challenge to me this afternoon I will read exactly what he said. After enumerating the various guarantees the people of Canada had that the Canadian Northern would not come back for assistance, and after stating that we would control the railway for all time, he went on to say, as an alternative proposition—(Hansard p. 3693):

> Or, if we choose, we can ourselves, by Act of Parliament, legislate that that road is the property of the people of this country and that the interests of all persons whatsoever outside of the people of Canada are eliminated. The idea of that is that we are at this time making the interested parties and all stockholders parties to this contract, and we say to them: We now and here bind you that should the day of default come you shall not appeal to the Parliament of Canada on the ground of your road being confiscated in any way whatever, but you here and now leave the Parliament of this country free from any such question and untrammelled in every way to deal with the property of the Canadian Northern as it may be advised in the interests of the people of this country. That is the summary procedure outlined here for taking over the road.

Some hon. MEMBERS: Oh, oh.

Mr. MACDONALD: I can understand the mentality of some hon. gentlemen who see sunbeams in cucumbers.

Mr. MEIGHEN: We see one now.

Mr. MACDONALD: The hon. gentlemen sitting behind the Solicitor General have caught his spirit of casuistry, and would in a Machiavelian way misdirect the judgment of the House of Commons and of the people of this country. If I understand the English language, the statement of the Solicitor General was that in case of default the Canadian Northern could not come to Parliament and say "You are going to confiscate our interests in this road." Parliament had the power to do exactly what it liked having regard to the interests of the country.

Mr. MEIGHEN: That is right.

Mr. MACDONALD: My hon. friend's coadjutor this afternoon, the hon. member for Calgary (Mr. R. B. Bennett) in the midst of a very peculiar address in which he first of all denounced this measure, but subsequently worked himself into a mood where he was prepared to vote for it, held up his hands in holy horror at the suggestion that there should be any question of confiscation; Parliament should never consider the question of confiscating the equity of redemption. Yet the Solicitor General told us in 1915 that we were giving notice to the Canadian Northern people to this effect in case of default: "Don't you come here and suggest a proposition of confiscation. The Parliament of Canada

will deal with this problem in the interests of the Canadian people without any regard to any suggestion of confiscation." This afternoon he had the temerity to argue that in the interests of the Canadian people at this moment, instead of exercising our rights under the statute of 1914 and paying no money at all, we should initiate a new proposition under which this country is to be committed to a further additional expenditure of $100,000,000. If he has the temerity to suggest that that is in the interests of the people of Canada, all I can say is he is a casuist of the first order. Does he suggest that it is in the interests of the people of Canada to provide for an arbitration board to investigate, after the Drayton-Acworth report has told us there is nothing to investigate? Does he think it is in the interests of the people of Canada to arrange to pay to some person or persons unknown whatever sum of money might be arrived at by the arbitrators, without any reference to the rules of evidence, and having regard only to the fantastical basis of valuation suggested by the Minister of Finance? Does he mean to tell us that it is in the interests of the people of Canada to do that to-day, when he told us in 1914 that we could acquire the equity of redemption without any compensation and without anybody suggesting the idea of confiscation?

My hon. friend has had the temerity to submit to this House and to Parliament some perfectly wonderful propositions during the time he has been permitted to be the first lieutenant of the Prime Minister, but his temerity and assurance will not enable him to satisfy either this House or the country that an arbitration by means of which certain unnamed parties are to receive from the Canadian people a sum in the vicinity of $100,000,000 is better than exercising the right which in 1914 he said existed notwithstanding any allegation of confiscation.

Hon. gentlemen come to Parliament and submit this proposition, the first section of which authorizes the Government to secure a certain amount of stock in trust for His Majesty "on such terms and conditions satisfactory to the Governor in Council as may be set out in an agreement to be made between His Majesty and the owners and pledgees of not less than five-sixths thereof." My hon. friend wants to know whether it is a matter of importance to know who are the owners and pledgees of the stock. In an airy way he suggested that he was not very much interested, and had not made much inquiry into the matter. Either he or his colleague, the Minister of Finance, knows something about this matter. The Minister of Finance told us on August 1, 1917, that of this $60,000,000 stock, par value, of the Canadian Northern, "about five-sixths is available for transfer in the near future, being held by private owners and by pledgees." How does the Minister of Finance know that, unless he has made inquiry?

Sir THOMAS WHITE: We stated that. My hon. friend was out. We stated who owned the five-sixths.

Mr. MACDONALD: Who does?

Sir THOMAS WHITE: Mackenzie and Mann.

Mr. MACDONALD: Who are the pledgees?

Sir THOMAS WHITE: The Canadian Bank of Commerce.

Mr. MACDONALD: Of the whole of it?

Sir THOMAS WHITE: I am not sure. I think substantially the whole of it.

Mr. MACDONALD: "Not sure."—"Substantially". Of what use is information of that kind to the House? What is the use of my hon. friend coming to Parliament and telling us he is not sure?

Sir THOMAS WHITE: Will my hon. friend allow me? The agreement becomes operative upon five-sixths of the stock being lodged. Mackenzie Mann & Company, Limited, are in a position to lodge that stock.

Mr. MACDONALD: How can they be if it is pledged?

Sir THOMAS WHITE: They would have to arrange with the pledgees. The agreement becomes operative when five-sixths—that is to say about $51,000,000—of the stock, is lodged.

Mr. MACDONALD: My hon. friend told the House on August 1st, that all of that stock was available, therefore, he must have made inquiries. Now, there is no need of having any uncertainty about it. Who are the registered owners of that stock, and who are the pledgees? That is what we want to know.

Sir THOMAS WHITE: That has been stated as to five-sixths of the stock. We have not the information as to the balance. We may be able to get it. The Dominion Government owns $40,000,000, and there are $51,000,000 to be lodged under this

agreement, that leaves $9,000,000 of stock in regard to which we have not information as to who are the owners. I believe a considerable portion of it is held in Great Britain. The Solicitor General made a statement in regard to it to-night.

Mr. MACDONALD: My hon. friend told me a few moments ago in regard to the five-sixths that the great majority of it was pledged with the Canadian Bank of Commerce. He also said there was some part about which he would not speak. Why does not he deal with this very serious and important problem along the most frank lines? If this Government has nothing to conceal in regard to the matter, all it has to do is ask the proper authorities of the Canadian Northern for a copy of the stock register, to be laid upon the table of the House, showing in whose name the stock is registered, both in regard to the five-sixths and the one-sixth. There is no use of talking about one-sixth of the stock being held in England. If it is held in England the stock register of the Canadian Northern Railway company will show who holds it, if it is not held in England, then the stock register of the company will show where it is held. My hon. friend has intimated to the House that five-sixths is available for transfer in the near future. It is held by private owners, and by pledgees. That means my hon. friend must have had such communication with the private owners of five-sixths of the stock, and with the pledgees, that he was in a position to make an agreement with them based on the terms of this Act. Otherwise he would not have made the statement.

Sir THOMAS WHITE: That is the position as I understand it.

Mr. MACDONALD: Then, my hon. friend qualifies it somewhat. He now states it is the position as he understands it. We have had so many questions about this Canadian Northern railway; we have had so many documents laid upon the table of the House; we have had so many returns of Parliament in regard to aid for the enterprise —$15,000,000, $45,000,000, $15,000,000; in all $75,000,000 of money of the Canadian people have gone within the last five years—yet my hon. friend tells us simply that he understands certain things, and that the stockholders of the company are unknown. He and the Government should have laid upon the table of the House a definite statement showing who held every dollar of that stock, according to the stock register of the company. On what possible basis can this Government expect Parliament and this country to enter into this unnecessary arrangement—this arrangement which, if the Government had carried out the terms of its statute passed in 1914 would never be necessary? Upon what possible grounds can the Government come and ask Parliament to-day what they are asking, and at the same time withhold from Parliament and the country the names of the men who are to receive the money awarded by the arbitrators to be appointed under this Act? I venture to say that at no time in the history of this or any other Parliament has any Government ever had the temerity to approach Parliament with any such proposition. Will not my hon. friend say that he will obtain from the Canadian Northern Railway company a statement, under the hand of their secretary, showing who are the registered holders of all that stock, so that we shall know who are to receive the benefit of whatever award may be given? I listened to the remarks of my hon. friend from Calgary (Mr. R. B. Bennett) this afternoon with a great deal of interest. If he was correct in his statement in regard to the $25,000,000 of income charge convertible debenture stock, and the fact that the holders thereof have the right to receive stock in the Canadian Northern Railway company therefore, over and above the $100,000,000 which we are discussing as being the amount of the stock of the Canadian Northern railway, this Parliament has a right to know who are the holders of that $25,000,000. No attempt was made by the Solicitor General this afternoon to answer the hon. member for Calgary on this subject. What possible objection can hon. gentlemen have to getting that information? Do my hon. friends think that they can get a measure through Parliament by putting up the Solicitor General to tell us, as he did this afternoon, that because I moved what is known as a six months' hoist of a measure, that that was to be a solution of the problem? Such a claim is childish nonsense, My hon. friend has a good deal of temerity if he wishes to attempt to mislead this House into the belief that a motion for the reading of a measure this day six months is not an absolute negative of the measure, but is not intended to mean that it is to be considered some time in the future. If he suggests anything of the kind, he is presuming on the credulity of the House, to a rare degree for him, although he attempts some very strong things. If that is the method in which this Government is going to approach this scheme, if they think the

11 p.m.

credulity of the House is so great that it can be misled with propositions of this kind, and that it is not necessary to give Parliament and the country the information as to who owns this stock and who are going to get this money, then I say my hon. friends are presuming too much. We are late in the session, and hon. gentlemen on this side of the House have no desire to prolong it unduly, but if the Government refuses to give us information, and if, for instance, it declines to give us ordinary and natural information to which the Parliament and the country are entitled, then it may become our duty to insist upon that information being given. Upon what possible ground can hon. gentlemen attempt to befool the House on this question by telling us, after long deliberation, that the Canadian Bank of Commerce are pledgees of the $51,000,000, if they do not give the information about the other $9,000,000, or the $25,000,000 outstanding? If the Government was candid or fair, and if its measure was one in which it had confidence, if there was no underlying motive behind the proposition, if it did not have some object to serve, some person to please, some provision to make for some particular interest, it would at once put its cards on the table and let the House and the country know just where it stood, and who will receive this money.

Who are to receive this money? My hon. friend's failure to be candid with this House and with the country indicates a condition of affairs which demands further inquiry. And honourable gentlemen cannot refuse it in the face of the reasonable request that we on this side of the House make when we claim that we have a right to know who are the owners of this stock and with whom it is pledged. What is the use of talking in a dilettante way about some of this stock being owned in England. If it is in England, the Minister of Finance is too old a hand in company business not to know that all he has to do is to go to the Canadian Northern Railway company and ask them to tell him who are the registered holders of the stock on the books, and then he can give the information to Parliament. Why should he not give it? If these men who are the registered holders of this stock according to the books of the Canadian Northern Railway company have pledged it elsewhere, if the Canadian Northern Railway company people know that, they ought to tell us, and they should also tell us in regard to their share of that $25,000,000 of convertible stock whether Canada is going to be called on to meet that amount now or at some other time. My hon. friend will realize that if the value of every one of those shares is fixed by arbitration, that is, if the value of the five sixths is fixed by arbitration, that fixes the value of the $9,000,000 shares, it fixes the value of the $25,000,000 shares. This arbitration, made under an agreement, is one which would not be set aside by outside tribunals. Why should we not know who is going to benefit by it? The failure of the government to give a reason indicates a suppression of facts, the intent, the deliberate intent, to refuse to the people of this country the knowledge to which they are entitled. Has any government ever come to Parliament and asked for such a carte-blanche contract as the one pointed out by the hon. member for Calgary (Mr. R. B. Bennett) this afternoon?—whereby under section 3:

> For such purposes they may make advances of the consolidated revenue fund, may guarantee payment in whole or in part, and may give the obligations or securities of the government in connection therewith.

Ad libitum, no limit, absolutely without any attempt to indicate to the Government how far they should go—a blank cheque whereby the Minister of Finance can draw upon the treasury of this country without limitation. And yet this Government declined to tell this House and the country who are going to be the beneficiaries of all this blank cheque authority. I say that every hon. member in this House would be recreant to his duty to Parliament and the country, to the people who sent him here, if he did not insist upon having, without any equivocation, all the information it is possible for this Government to get. They can get it all because otherwise they never would have made this proposition to Parliament; they never would have made it if they did not know where they were going to land. Are we going to have it or are we not? There is the question, and I leave it with the committee.

Sir THOMAS WHITE: In reply to my hon. friend's question about the income convertible debenture stock, he realizes that if that stock was sold, as I believe it was, in England, it would be difficult to obtain the names of the owners. Not only that, but that income debenture stock is a liability of the company. It may be convertible into stock, but it is obvious that it would not be converted into stock unless it would pay the holders to so convert; that is to say, unless the stock of the Cana-

dian Northern railway was worth par. As the income convertible debenture stock is convertible up until 1919, it is obvious to the House that there is no chance whatever of the $25,000,000 of income charge convertible stock being converted into stock of the Canadian Northern railway.

Mr. MACDONALD: Not if the arbitrators give par for the common stock.

Sir THOMAS WHITE: My hon. friend is talking what he knows to be nonsense when he speaks of the arbitrators giving par for the stock.

Mr. MACDONALD: Not at all. Why should they not?

Sir THOMAS WHITE: During the passage of this resolution through the committee information of various character was asked for by hon. gentlemen opposite, and so far as I know, all information has been supplied. I said that I had even had an official go through Hansard with a view of seeing whether anything had been overlooked. So far as bonds and debentures are concerned, it seems clear to me it is not possible to obtain the names of the holders, because those are bearer securities that pass from hand to hand. Even in the case of debenture stock, transfer can be made in blank. So far as the five-sixths is concerned, it is necessary only that five-sixths of the stockholders should be known to be willing to deposit under this agreement, because the agreement becomes operative when the five-sixths do so deposit; and so far as the remainder is concerned, they would have to come in or the Government could declare their stock vested in His Majesty. The information asked for we shall endeavour to obtain. It does not seem to be of very much consequence to know the ownership of nine per cent of the stock when we have ninety-one, but we shall probably be able to get the names of shareholders that are on record. I do not think that would necessarily show the real shareholders, because the shares may have been assigned in blank under power of attorney or otherwise. At all events it would be the shareholders on record on the books of the company.

The discussion to-night has been of a general character, such as might have occurred on the second reading rather than in committee. I would suggest that the committee rise. Or perhaps we could take up clause 1 and make some progress and then proceed with it to-morrow.

[Sir Thomas White.]

Mr. OLIVER: Clause 1 is the Bill. Would the minister give direct answer to my question as to the intention of the Government in regard to liabilities of the company which could be established, and which we must meet? Is it the understanding of the Government that these claims will be paid off, or is the Government going to take the stand that it is not bound to pay them?

Sir THOMAS WHITE: I do not know to what claims my hon. friend refers.

Mr. OLIVER: I am asking the general principle.

Sir THOMAS WHITE: My hon. friend knows that we are not changing the status of the Canadian Northern railway or of any of the subsidary or constituent companies, it is simply a change of the shareholders of the company. Instead of the present shareholders, the Dominion Government become shareholders. But, from a strictly legal standpoint, the Dominion Government does not become in privity with the creditors of the Canadian Northern Railway company. Of course the Government acquire the Canadian Northern Railway company as a going concern, and the result is that claims against the railway company, just claims, would still be just claims against the railway company, and the Dominion Government would from time to time have to finance the Canadian Northern railway as it has done in the last two or three years. The only difference now is that our financing will inure to the benefit of the people of Canada, because the stock is owned by the Government on behalf of the people.

Mr. NESBITT: Is not the difference now that the Government really own the company?

Sir THOMAS WHITE: They own the stock of it.

Mr. NESBITT: They own the company.

Mr. GRAHAM: They own the company.

Mr. OLIVER: It is established, then, that the Government, by taking over the stock, is taking over the liabilities of the company?

Sir THOMAS WHITE: No, it is not.

Mr. OLIVER: That is the point I wish to make clear—yes or no.

Sir THOMAS WHITE: That is a different thing. The Dominion Government will become the stockholder of the Canadian

Northern to the extent of $100,000,000. That is, they will own and control its stock, and the other companies will run as companies, will contract liabilities within their corporate powers, and carry on the business for which they were constituted. If the Canadian Northern requires to finance, as it does for the purpose of meeting its obligations, whether of underlying interest or otherwise, it would ask the Dominion Government to put it in funds for the purpose. The Dominion Government would make an advance to the Canadian Northern Railway company, and the Canadian Northern Railway company would use that advance for the purpose of paying its liabilities, whether on interest account or otherwise. The true position is that the Dominion Government is not legally liable in respect of the liabilities of the Canadian Northern or its constituent companies, but will continue this system as a going concern; it is the purpose of the Dominion Government to continue this system as a going concern, and from time to time to finance it.

Mr. GRAHAM: The stock being fully paid up?

Sir THOMAS WHITE: The stock being fully paid up. If the stock were partially paid up, there would be a liability on the unpaid stock.

Mr. OLIVER: It is the policy of the Government to finance the company as a consequence of having the ownership of the stock.

Sir THOMAS WHITE: So far as the interests of Canada require, the Dominion Government would from time to time finance the Canadian Northern Railway company, in order to carry on the enterprise. That does not mean that the Canadian Northern Railway company, owned by the Dominion Government, must at once commence extensions here, there, or the other place.

Mr. OLIVER: Not at all.

Sir THOMAS WHITE: It means that it will be run having regard to the existing financial situation and the transportation needs of the people of Canada whom it serves.

Mr. OLIVER: I think that is entirely satisfactory. It is understood now, that, as a consequence of this transaction the financing—that is the carrying on of the Canadian Northern railway—will in fact be a charge upon the treasury of Canada ?

Sir THOMAS WHITE: I would not put it that way. I will tell you why: because it is in the discretion of the Dominion Government to make advances, or to withhold advances, and to decide as to the amount of advances; in other words, we own the stock, and it is for the Dominion Government to determine to what extent it will finance the Canadian Northern Railway system. But it is the intention that the Canadian Northern Railway system shall continue to be operated, in the interests of the people of Canada.

Mr. GRAHAM: The Finance Minister, as holder of the stock, will ask the Finance Minister of Canada if he will advance him some money to carry on the undertaking ?

Sir THOMAS WHITE: He will ask the Government.

Mr. GRAHAM: It resolves itself into one and the same thing, with the entity of the Canadian Northern remaining intact.

Mr. LEMIEUX: I should like to know from my hon. friend concerning the implementing legislation, which it is contemplated to bring down in a few days as was stated the other day by the hon. Minister of Railways and Canals, as regards the Quebec and Saguenay railway, which has for its object to pay the same group of gentlemen who are interested in the Canadian Northern. I am informed the same group of financiers are the bondholders of the Quebec and Saguenay and the Quebec and Montmorency. I am told they are creditors to the amount of $3,000,000 worth of bonds, and that the contemplated legislation has for its object the payment of those bondholders.

Sir THOMAS WHITE: I have no information as to the bondholders or where the bonds are held, nor have I had the legislation to which he refers before me. I have been engaged with other matters.

Mr. MACDONALD: Will the hon. minister endeavour to give to the House a statement as to the registered stockholders of the Canadian Northern?

Sir THOMAS WHITE: I do not believe it would be possible to obtain it for tomorrow. I think we shall have to do some cabling to get it.

Mr. MACDONALD: If five-sixths of the stock is held by one group of people, and one-sixth held by others, a telegram to Toronto would get it.

Sir THOMAS WHITE: It would obtain the information as to the local register. I am not sure as to the other.

Mr. SINCLAIR: When procuring that information, will the hon. minister obtain information as to who holds the stock of the affiliated companies? If I understand the statement submitted to the House, there is about $6,000,000 of the stock of the affiliated companies held by people outside Mackenzie and Mann Limited, and it would be important to know also who the people are who hold that $6,000,000 stock of the affiliated companies.

Sir THOMAS WHITE: I will try to get that information but it would be quite impossible to get it by to-morrow.

Progress reported.

On motion of Sir Thomas White, the House adjourned at 11.35 p.m.

Friday, August 17, 1917.

The House met at Three o'clock, the Speaker in the Chair.

SUPPLEMENTARY ESTIMATES FOR 1917-18.

A message from His Excellency the Governor General, transmitting a supplementary estimate for the year ending March 31, 1918, was presented by Sir Thomas White (Minister of Finance) read by Mr. Speaker to the House, and referred to the Committee of Supply.

HARVEST HELP FROM UNITED STATES.

On the Orders of the Day:

Mr. W. E. KNOWLES (Moosejaw): I desire to ask the hon. Minister of the Interior (Mr. Roche) certain questions with regard to the regulations under which harvesting help may enter Canada, and, with the permission of the House, I will read a short extract from a letter, which shows the circumstances in the district south of Swift Current, where the entry offices are far apart:

> I live on the International line forty miles south of Admiral, and am familiar with conditions on both sides of the line. The last three years there have been hundreds cross at harvest and threshing time, but this year the report has spread that the regulations are so drastic that they are afraid to come into the country.

In view of this report, I would ask if the minister could not issue an announcement that bona fide harvesters will not be interfered with, and that they need not travel to far distant points to get the necessary certificate.

Mr. ROCHE: Such an arrangement has been entered into between the Government of Canada and the Government at Washington. The deputy minister is working out the details. It is the intention of the Government to waive the immigration regulations. Such an announcement will be made —in fact, it has already been made in the press.

PRICE OF BRAN IN CANADA AND UNITED STATES.

On the Orders of the Day:

Mr. E. W. NESBITT (North Oxford): Has the Minister of Trade and Commerce taken any steps to confirm or contradict the statement contained in the clipping from Farm and Dairy, which I read the other day, as to the price at which Canadian millers were selling bran in Canada and in the United States? It is only fair that I should state my reasons for asking the question. I have a letter from the manager of one of the largest mills in Canada in which he states as follows:

> At Montreal and points, taking same rates, the price of bran was $35 per ton sacked, in comparison with
>
> | | |
> |---|---|
> | Buffalo | $41.00 |
> | Toledo | 40.00 |
> | New York | 41.00 |
> | Boston | $38.00 to 40.00 |
> | Philadelphia | $41.00 to 42.00 |

It would depend, of course, somewhat on the duty on bran going to the other side whether the prices were higher there than here.

Sir GEORGE FOSTER: Inquiries are being made, and the information so far obtainable goes to show that bran is not sold at lower prices on the other side, as compared with prices charged to our own farmers.

CAPTAIN WILLIAM AVERY BISHOP, V.C.

CONSPICUOUS GALLANTRY OF A CANADIAN OFFICER.

On the Orders of the Day:

Sir EDWARD KEMP (Minister of Militia): I desire to refer to the case of a Canadian officer who has been honoured on three different occasions for distinguished conduct at the front. The record of one person being awarded these three distinctions is most unusual. In a supplement to the London Gazette, dated August 11, is

contained the approval of His Majesty the King for the award of the Victoria Cross to Captain William Avery Bishop, whose father resides at Owen Sound, Ontario. Captain Bishop belongs to the Canadian Cavalry, and was attached to the Royal Flying Corps. He already possesses the Distinguished Service Order and the Military Cross. Reference has already been made to the matter in the press, but I thought it desirable to convey the facts to the House in order that a record of them may be placed on Hansard. The paragraph in the London Gazette reads as follows:

The award was made for most conspicuous bravery, determination and skill. Bishop, working independently, flew first to an enemy aerodrome. Finding no machine about, he flew to another aerodrome about three miles southeast, and at least twelve miles behind the German line. Seven machines, some with engines running, were on the ground there. He attacked these from about fifty feet up, and a mechanic who was starting an engine was seen to fall. One enemy aeroplane got off the ground but from a height of sixty feet Bishop fired fifteen rounds at very close range and it crashed to the ground. A second machine got off the ground; Bishop fired thirty rounds at one hundred and fifty yards' range and it fell into a tree. Two more machines then rose. One he engaged at a height of one thousand feet. The enemy machine crashed to the ground three hundred yards from the aerodrome. Afterwards Bishop emptied the whole drum from his machine gun into a fourth enemy aeroplane and then returned to his station. Four hostile scouts were about one thousand feet above him for about a mile on the return journey, but would not attack. Bishop's machine was very badly shot about by machine gun fire from the ground.

CANADIAN LOAN IN NEW YORK.

On the Orders of the Day:

Mr. E. M. MACDONALD (Pictou): I desire to call the attention of the Minister of Finance to the following statement appearing in the American press:

Wall Street reported that the largest check which has ever passed through the New York clearing house was paid yesterday by the Liberty National bank. The check was for $96,111,111, drawn by J. P. Morgan & Co. to the order of the agents of the Bank of Montreal for the credit of the Minister of Finance and the Receiver General of Canada.

In answer to a question which I asked in the House the other day, the statement was made that the net proceeds of this loan amounted to $96,250,000. This statement shows a difference of $138,889. I would like to know which statement is correct.

Sir THOMAS WHITE: The statement which I gave my hon. friend. The $111,000 represents the interest.

Mr. MACDONALD: But it is $138,000.

Sir THOMAS WHITE: There is another fact which has a bearing upon this question. The Government availed itself of the very capable services of Sir Frederick Williams-Taylor, of the Bank of Montreal, who negotiated the loan, and received a rebate of one quarter of one per cent commission; so that the flotation expenses were about one and three quarters per cent instead of two per cent. My hon. friend will see, if he disregards the item of interest, and makes allowance for one-quarter of one per cent, that the answer which I made is accurate.

WESTERN COAL SUPPLY.

On the Orders of the Day:

Mr. W. E. KNOWLES (Moosejaw): Yesterday the Minister of Trade and Commerce (Sir George Foster) intimated that to-day he would make a statement with regard to the supply of Pennsylvania coal in the West.

Sir GEORGE FOSTER: I do not know that I can say anything very definite about it. The facts which are apparent are these. First, there is a great and unprecedented call for coal in the United States. Second, both water and railway carriage are inadequate for the quick supply of coal, and that reacts upon the output of the mines. That applies particularly to the eastern and middle portions of the United States. As regards the lakes, the chief difficulty has been and is the matter of railroad transport from the mines to lake ports. Lack of means of transport has had the effect of causing several, perhaps many, grain and ore vessels to come back to the north with water ballast rather than with coal. Everything that can be done by the United States authorities and by the Fuel Controller is being done to co-ordinate the transport facilities and to hasten the delivery of coal. As to what will be accomplished, I cannot speak definitely at present.

Mr. KNOWLES: Will the minister kindly tell us what is being done? The condition that he speaks of with regard to transportation is well known.

Mr. SPEAKER: Order.

Sir GEORGE FOSTER: I do not know that I can tell my hon. friend what is being done; that would take a long time.

Mr. KNOWLES: You have lots of time.

Sir GEORGE FOSTER: All I can say is that, in short, everything possible is being done by the Fuel Controller and his aides who are acting in close co-operation and sympathy with the authorities on the other side of the line. If my hon. friend wants to know the exact number of cars that are hauling coal or the exact tonnage that is being hauled, that I cannot give him at this time. A great deal of examination would be necessary to procure that information.

CANADIAN RAILWAY SITUATION.

CONSIDERATION OF CANADIAN NORTHERN RAILWAY BILL RESUMED IN COMMITTEE.

Consideration in committee of Bill No. 125, providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway company—Sir Thomas White (Minister of Finance)—resumed from Thursday, August 16, Mr. D. Stewart in the Chair.

On section 1—Acquisition of shares of Canadian Northern railway authorized:

Mr. GRAHAM: When the Government took over the 40 per cent of Canadian Northern shares they appointed representatives on the board of directors. These representatives must have made some report to the Government; I imagine that they would make a report with regard to the Drayton-Acworth report. Have they done so, and if so, should not the minister give us that report?

Sir THOMAS WHITE: There was communication from the directors representing the Government on the board with respect to the Drayton-Acworth report, but we have not regarded it as expedient to make it public; it might have an effect in connection with the arbitration proceedings. It is of a confidential character, and the Department of Justice thinks that it should not be made public. It calls attention to the omissions from the report to which I referred the other day.

Mr. GRAHAM: Was it signed by the Government directors only, or by the entire board of directors?

Sir THOMAS WHITE: I think it was signed by the three Government directors only. Certain information was asked for last evening, which I am endeavouring to obtain, but which I am not yet in a position to give to the committee. As this information was asked for in connection with section 1, my suggestion is that that section be allowed to stand and that we take up sections 2, 3 and 4 with a view to seeing whether we can make some progress with one or more of them.

I desire to give notice of some amendments with respect to clauses 2, 3 and 4, and in connection with those amendments I desire to make a few observations to the committee. It has been drawn to my attention by members of the House that section 3 gives the Governor in Council very wide powers indeed as to paying out money, issuing securities and giving guarantees. I wish to explain to the committee why that wide discretion was considered necessary in connection with this measure. It is possible to estimate with a reasonable degree of accuracy the shortage which would require to be made up to meet underlying interest indebtedness incurred and to be incurred and for betterments and the purchase of rolling stock. But it is not possible to estimate what amount of money will be required to meet maturing short-term obligations. I explained to the House that a number of short-term obligations of the Canadian Northern Railway company would mature from time to time during this and next year. I expressed the hope that the Canadian Northern Railway company would be able to meet those obligations by renewing them or making fresh issues from the proceeds of which they would be paid. However, on account of war conditions it is not certain that they will be able to do that; therefore it was considered advisable that the Dominion Government should take this power, this wide discretion, in order to be in a position to take care not only of underlying interest charges that the net earnings were not sufficient to meet needed betterments and equipment payments, but also one or more, possibly, of these short-term obligations, if it should chance that the Canadian Northern Railway company should not be able to provide the necessary funds to meet them as they matured. The result is that this clause was drafted, which is very wide in its terms; indeed, when I was considering it I thought that it was too wide in its terms. I believe that so far as possible Parliament should be acquainted with the objects for which expenditures are made; in other words, that wherever possible there should be an estimate. I have accordingly drafted an amendment to section 3, of which I now desire to give notice. Before reading the amendment I would call the attention of the committee to the concluding portion of subsection 1 of section 3, which states that the Governor in Council may guaran-

tee payment in whole or in part and may give the obligations or securities of the Government in connection therewith.

The object of that was that the Government, instead of paying cash, might give its securities, and it might be able to guarantee a debt and in that way continue the obligation without immediate payment. But on thinking the matter over, I have reached the conclusion that I would rather be without those powers; that is, I would rather that the Dominion Government, instead of issuing securities in payment of obligations and instead of giving guarantees, to which of course there is a certain objection, should pay cash in connection with such financing as it has to do for this system. The amendment of which I purpose giving notice is this:

That all the words after "Fund" on line 4 page 2, of the Bill be struck out and the following substituted therefor:—

Provided however that until authorized by Parliament the total of such advances shall not exceed the sum of $25,000,000. A statement of any such advances showing in detail the purposes for which they were applied shall be presented to Parliament by the Minister of Finance within twenty days after the opening of the next ensuing session thereof.

As nearly as I can estimate, $25,000,000 ought until the next session to carry the system, including payments of obligations so far as we are able to estimate that they will fall due and cannot be renewed—and that is to some extent a matter of conjecture—and take care of all the interest payments and the payments for betterments and instalments upon rolling stock.

The hon. member for Calgary (Mr. R. B. Bennett), in his very interesting and able speech yesterday, referred to another matter which, I think is of some importance. He referred to the fact—and it is an undoubted fact—that the cost of labour and of material of all kinds is very much higher to-day owing to war conditions than it was in the period preceding the war or than it is likely to be in the period succeeding the war. The point he made was that the arbitrators might, in reaching a conclusion as to the value of this stock, be guided, to some extent, by the reproduction cost of the physical assets of the Canadian Northern Railway company on a basis of war conditions. He thought it would be desirable that that should be obviated. Personally I would not be disposed to agree with the view that the arbitrators in valuing stock would, if they considered, in connection with such valuation, the reproduction cost of the physical assets of the system, regard the higher prices during war conditions as governing that cost. The point was made yesterday by the Solicitor General that, if the Government were expropriating the physical assets of the Canadian Northern Railway company, possibly such a course might be adopted. My own view is that, even in that case, it would not be adopted by a board of arbitrators, because it seems to me it would be manifestly wrong to take the inflated prices of material and equipment of every kind and the high cost of labour into account in reaching a conclusion as to the fair price to be paid for the physical properties of a railway company expropriated at a time like this. My opinion is not entitled to the weight of that of either the hon. member for Calgary (Mr. R. B. Bennett) or the Solicitor General (Mr. Meighen). In this connection, however, I would like to call attention to the view of Professor Swain, to which I referred the other day, as to the principles of valuation. Professor Swain at page 4 of his report emphasizes earning power as to the principal test of value, and I will quote him again for the information of the committee. He says:

There is no sentiment about a commercial property like a railroad. The real value of such a property is measured by its earning power and by nothing else. No matter how costly or how inexpensive it may have been originally, its value in exchange will be measured by its earning power. Prospective earning power, perhaps under altered conditions, must of course be considered. Some properties, therefore, have a so-called "strategic" value, because, while they may earn nothing by themselves, they may be combined with other properties in a way to produce or enhance earnings.

Then his statement on the next page with regard to the valuation of physical assets is this:

Just what the present value, or the fair present value may be, is not easy to state, and probably cannot be stated. The courts, however, have frequently stated what it is not. They have again and again laid down the principle that it is not original cost. In some instances they have stated that it is not the cost of the reproduction new, but it is generally admitted, I think, that both the original cost and cost of reproduction new, and also the depreciation, depending upon circumstances, are all elements which may affect the judgment as to the "fair value."

He emphasizes earning power actual and potential, but in connection with a railway system such as this, my own view would be that if potential earnings were considered at all, it could be considered only as to the company in private hands as it is to-day, and in the serious financial

position in which it is. I stated that the other day. I would not admit for a moment that the prospective earning power of this system in the hands of a strong Government able to finance it should be considered by the arbitrators. On page 6, Professor Swain deals with this question which was raised by the hon. member for Calgary and as to which I purpose giving notice to-day of an amendment. This is what Professor Swain says:

> These principles were briefly discussed with your commission before the beginning of the work. The problem, therefore to be performed by the force under my direction, was to ascertain the cost of reproduction new of the properties in question at the present time. By the phrase "at the present time" is not to be understood the present moment, in view of the inflated prices for materials and labour which have come about as a result of the war; but rather, the fair cost of reproduction new, assuming that the properties were to be reproduced at fair average prices prevailing during a brief period of years just before the war.

Professor Swain, therefore, in dealing with the question of reproduction cost in war time, clearly states that the inflated prices for material and labour are not to be taken into account, but rather that there should be considered the fair cost of reproduction "assuming that the properties were to be reproduced at fair average prices prevailing during a brief period of years just before the war." I do not make his sentiments my own, because I do not think the matter is one on which I am called upon to express an opinion. But I desire to make the point that it is not probable that a board of arbitrators in fixing the value of the stock of the Canadian Northern Railway company would be guided in their deliberations by the bearing which the high prices prevailing during the war have on the cost of reproduction. But after all is said and done, the question is a legal one, and one upon which I think no chances should be taken, and I therefore give notice that when we reach section 4 I shall move to add the following to subsection 2:

> In determining the value of the said six hundred thousand shares the arbitrators, should they regard it as expedient to take into consideration the reproduction cost of the Canadian Northern Railway System, shall not include therein the increase in value, due to the war, of labour, materials, equipment or of any property.

Mr. NESBITT: Does my hon. friend propose striking out the words "as of the date of the said agreement," in subsection 2? Otherwise, I think they will conflict with his amendment.

[Sir Thomas White.]

Sir THOMAS WHITE: The hon. member for North Cape Breton (Mr. McKenzie) raised the point the other day, and I am not sure that it makes any difference whether we change the words or allow them to stand, but when we are considering the subsection I shall be glad to hear the views of the committee, and if it appears that the words should be changed at an earlier date selected, we can make the change.

There is one other amendment of which I wish to give notice, and that is that all the words after "Fund" on line 38, page 2 of the Bill, be struck out. The subsection will then read:

> The amount of the value so determined shall be paid out of the Consolidated Revenue Fund.

The subsection as it now stands suggests that these shares might be paid for by the issue of securities, or by an indebtedness secured by the deposit of securities. Personally, I do not like arrangements of that kind, and I would rather, as I stated in connection with the previous section, that the Dominion pay cash.

Mr. MACDONALD: Has my hon. friend considered the point suggested by my hon. friend from Calgary with reference to the phrase "the said arbitrators. . . . may apply their own judgment in determining such value"? I agree with my hon. friend from Calgary, if I understood him correctly, that if the arbitrators may apply their own judgment it will be no use allowing an appeal to the Supreme Court.

Sir THOMAS WHITE: I am extremely obliged to my hon. friend, for I had overlooked that point. The reason why those words were inserted was that the arbitrators might be able to proceed expeditiously in determining the value of the stock. But there does appear to be a doubt, so far as concerns an appeal to the Supreme Court, that if these words are left in, the court might find itself unable to review the award on the ground that the arbitrators had acted, not only as arbitrators, but as experts. I confess that I think it could be argued that to use their own judgment would mean using their own judgment having regard to the evidence. I am inclined, however, to the interpretation which has been placed upon the words by the hon. member for Calgary and the hon. member for Pictou. I think it would be better that the words be left out, and I shall move accordingly:

> That the words "and may apply their own judgment in determining such value," appearing on lines 24 and 25, page 2 of the Bill, be struck out.

Mr. R. B. BENNETT: The minister and my hon. friend from Pictou misunderstood me if they assumed for a single moment that I said these words should be left out. I pointed out that under the decision of the Supreme Court they had very great value.

Sir THOMAS WHITE: Then I misunderstood my hon. friend. I understood him to say yesterday that the Supreme Court had refused to set aside the award in a certain case because the arbitrators in the exercise of their own judgment had decided in a certain way. The principle that I thought was at stake was this: If arbitrators, in addition to being judges, so to speak, are made experts, so that they may act upon their own opinion in addition to considering evidence, the Court of Review might say, "How can we come to a different determination when it is open to these arbitrators to exercise their own judgment not only upon the evidence but with regard to the valuation"? However, when the amendment is before the committee we can hear the arguments, and if it is considered advisable that these words should be left as they are, it may be done.

Mr. ROSS: I would suggest that in subsection 3 of section 4, after the words "so determined," the words "if any" should be added. In section 24 of the Act, under which you say you are acting, the Crown was to take over this railroad upon such terms as would be prescribed. If the wording remains as it is, it is presumed you are going to pay the money.

Sir THOMAS WHITE: It does not occur to me that it is necessarily so, because the arbitrators' award will either be for a certain amount of value, or it will not. As it stands, if the arbitrators came to the conclusion that there is no value, of course nothing would be paid out of the Consolidated Revenue Fund. It is only in the event of their reaching the conclusion that there is value that payment is made. However, when we come to the subsection we will consider that point. My suggestion is that we take up section 2.

Sir WILFRID LAURIER: The motion of my hon. friend is that section 1 should stand, with a view to providing the information which has been asked for. I have been away for a day or two, but so far as I know we have not yet had complete information as to what we are going to acquire by this Bill. We acquire the stock of the Canadian Northern Railway company, and in that way we take over the whole system. The Canadian Northern Railway system is a very extended one, covering all the provinces of the Dominion —not entirely, but in some part—with the exception of one. If there was only one charter there would be no trouble. But, as my hon. friend is aware, the main charter controls quite a number of subsidiary charters. All these are to be acquired, and we do not know what they are. I think we should have a detailed statement of all the subsidiary charters controlled by the main charter. For instance, there are charters in Nova Scotia which are covered by this main charter. There is also a very important question as to whether we acquire the Montreal terminals under this present Bill, and whether we acquire the Model City, which is an adjunct of the Canadian Northern Railway company in Montreal. I would suggest to my hon. friend that before we take up section 1 we should have a detailed statement of the different charters which will be covered by the Act now proposed.

Sir THOMAS WHITE: I agree entirely with my hon. friend. It is surprising how often we agree on matters non-political.

Sir WILFRID LAURIER: Of course, I am always right when we agree.

Sir THOMAS WHITE: My hon. friend could readily find the information he seeks in the statute of 1914 dealing with the agreement for the guarantee of the $45,000,000 bonds.

Sir WILFRID LAURIER: What chapter?

Sir THOMAS WHITE: I think it is chapter 20. I have the information before me. I will place it upon Hansard, and lay it upon the Table of the House. This information was sent me by Mr. Mitchell, assistant to the vice-president of the Canadian Northern Railway system:

Canadian Northern Railway System.

Statement Showing Capital Stock of Affiliated Companies held by the Canadian Northern Railway Company as at June 30, 1917.

	Capital Stock Outstanding.	How Owned. C.N.R. Co.	%	Public.
Bay of Quinte Railway Company.....	$ 1,395,000	$ 1,395,000	100	
Canadian Northern Pacific Railway Co.....	25,000,000	25,000,000	100	
Canadian Northern Alberta Railway Co....	3,000,000	3,000,000	100	
Canadian Northern Western Railway Co....	2,000,000	2,000,000	100	
Canadian Northern Saskatchewan Ry. Co..	1,000,000	1,000,000	100	
Canadian Northern Manitoba Railway Co....	250,000	250,000	100	
Canadian Northern Ontario Railway Co....	10,000,000	10,000,000	100	
1. Canadian Northern Quebec Railway Co.....	9,550,000	{ 2,000,000 { 5,144,600	74.7	$2,405,400
Northern Consolidated Holding Co. Ltd....		(See Note No. 1).		
Canadian Northern System Terminals, Ltd..	2,000,000	2,000,000	100	
Central Ontario Railway Company.....	3,331,000	3,329,000	99.9	2,000
Duluth, Winnipeg & Pacific Railway Co....	6,000,000	3,060,000	51	2,940,000
Halifax & South-Western Railway Co.....	1,000,000	925,000	92.5	75,000
Irondale, Bancroft & Ottawa Railway Co....	53,500	53,000	99.06	500
Mount Royal Tunnel & Terminal Co. Ltd...	5,000,000	5,000,000	100	
Marmora Railway & Mining Company.....	100,000	100,000	100	
Quebec & Lake St. John Railway Co.....	4,524,000	4,002,800	88.46	521,200
Qu'Appelle, Long Lake & Saskatchewan Railroad & Steamboat Co.....	201,000	201,000	100	
Niagara, St. Catharines & Toronto Railway Company.	925,000	922,000	99.67	3,000
2. Niagara, St. Catharines & Toronto Navigation Company, Limited.....	100,000	100,000	100	
The Minnesota & Ontario Bridge Co.....	100,000	100,000	100	
The Minnesota & Manitoba Railroad.....	400,000	400,000	100	
The Lake Superior Terminals Co. Ltd.....	500,000	500,000	100	
The Canadian Northern Telegraph Co.....	500,000	500,000	100	
The Winnipeg Land Company, Ltd.....	100,000	100,000	100	
The St. Boniface & Western Land Co.....	250,000	250,000	100	
3. The Edmonton & Slave Lake Railway Co....				
The Canadian Northern Railway Express Company,. Limited.....	1,000,000	1,000,000	100	
4. The Canadian Northern Transfer Co. Ltd...				
The Canadian Northern Steamships, Limited.	2,000,000	2,000,000	100	
5. Brockville, Westport & North-Western Railway Company.....				
	$80,279,500	$74,332,400		$5,947,100

Notes:—

1. The Canadian Northern Railway Company owns $2,000,000 of stock in the Canadian Northern Quebec Railway Company and owns 71.9% of stock in the Northern Consolidated Holding Company, Limited, which owns $5,144,600 of stock in the Canadian Northern Quebec Railway Company, so that the Canadian Northern Railway Company owns or controls $7,144,600 of stock or 74.7%.
2. Owned entirely by the Niagara, St. Catharines & Toronto Railway Company.
3. Amalgamated with the Canadian Northern Railway Company.
4. Owned entirely by The Canadian Northern Railway Express Company, Limited.
5. Company owns entire physical property. No stock issued.

Certified correct,
W. G. Foreman,
Chief Accountant.

Toronto, August 3rd, 1917.

Mr. A. K. MACLEAN: The statement shows in each case what amount of shares of each constituent company is held by the Canadian Northern?

Sir THOMAS WHITE: Yes.

Sir WILFRID LAURIER: There are several newly organized companies which are not mentioned in the statute of 1914. The Mount Royal Tunnel and Terminal Company, Limited, for instance, has been acquired since. I would suggest to my hon. friend that he should have a schedule made as part of the Bill, showing everything we acquire.

[Sir Thomas White.]

Sir THOMAS WHITE: I do not know that we can arrange to have it as part of the Bill.

Sir WILFRID LAURIER: Why not? What is the objection?

Sir THOMAS WHITE: It is a question of fact. If anything should chance to be overlooked—

Sir WILFRID LAURIER: Quite true, it is a question of fact, but if it is not in the Bill it may be a question of law. If you have it in the Bill there is no question of fact. It is law.

Sir THOMAS WHITE: My hon. friend wants a declaration in the Bill as to the constituent companies in the system?

Sir WILFRID LAURIER: Yes.

Sir THOMAS WHITE: I have considered that and I am not sure as to whether we should make a declaration or not. I thought that, perhaps, some property might be overlooked. Of course, that might be overcome by the wording. I will consider it.

Sir WILFRID LAURIER: I would like my hon. friend to consider the advisability of including all subsidiary companies so that we would know exactly what we are acquiring. We are acquiring the stock of the Canadian Northern Railway company, but there are many subsidiary companies, and I think it is advisable that we should know what they are and have them set out in the law.

Mr. R. B. BENNETT: I think that, perhaps, there is some little misapprehension as to that portion of it at all events. The schedule to the statute of 1914 contains the names of the companies that comprise the Canadian Northern Railway system. Amongst those you will find the Mount Royal Tunnel and Terminal Company, Limited. That is found at the top of page 14 of the statute, chapter 20. The names of the companies are those which my hon. friend has given, the Bay of Quinte Railway, the Canadian Northern, the Canadian Northern Pacific, the Canadian Northern Alberta, and so on, and then follow the names of subsidiary companies, such as the Marmora Railway and Mining Company, the Mount Royal Tunnel and Terminal Company, the Niagara Company, and the Northern Consolidated. As I understand it, there was a limitation imposed at that time upon the Canadian Northern Railway system creating any further subsidiary companies without the consent of the Governor in Council. No further companies, I am advised, have been created since 1914, which are owned by the Canadian Northern Railway Company. I gathered from what the leader of the Opposition (Sir Wilfrid Laurier) said a moment ago that there was the Montreal Terminal Company.

Sir WILFRID LAURIER: Yes.

Mr. R. B. BENNETT: The Montreal Terminal Company? My understanding was that it was the Mount Royal Tunnel and Terminal Company. In the statutes of 1916 we passed an Act confirming a lease made for the use of the terminal by the Canadian Northern Quebec and the Canadian Northern system whereby a rental was to be paid equivalent to the fixed charges upon the securities and the name given was the Mount Royal Tunnel and Terminal Company, Limited. I am satisfied that there is only one terminal company and that it is the one that is mentioned in the schedule. If the name has been changed I am not aware of it.

Sir THOMAS WHITE: There is no change.

Mr. MURPHY: Would my hon. friend (Mr. Bennett) tell me what lease he is referring to?

Mr. R. B. BENNETT: A lease by the Mount Royal Tunnel and Terminal Company to the railway company for
4 p.m. the use of its facilities. The method adopted was the usual one adopted under circumstances of this kind. You create a company with power to issue securities and the securities have to be guaranteed by the rentals to be paid for the use of the terminals. In this case the Mount Royal Tunnel and Terminal Company, which owns the terminal facilities in Montreal, leases them to the Canadian Northern, but in order to give the securities any value they had to have behind them something more than the physical property of the Mount Royal Tunnel and Terminal Company. Therefore they leased the terminals at a rental to the Canadian Northern Railway system, including the Canadian Northern Quebec, and the rental is equivalent to the annual interest charges upon the securities. That has been assigned to trustees for the purpose of enabling the securities to be sold, but they have behind them something more than the mere physical property upon which they were issued.

Mr. MURPHY: Is that lease contained in any of the papers which have been brought down?

Mr. R. B. BENNETT: That lease was set forth in the statute passed by Parliament in 1916. We had it before us, and we considered it in the Railway Committee. The lease itself is set forth in the schedule to the Act. In so far as the Mount Royal Tunnel and Terminal Company is concerned, the position would be that the Canadian Northern Railway and the Canadian Northern Quebec have rented the terminals for an annual rental equivalent to

interest charges upon the securities. The Model City and the Port Mann terminals, which I apprehend are what are referred to by the leader of the Opposition, are in no sense the property of the Canadian Northern Railway Company. They illustrate the second point I complained of yesterday, namely, the exploitation of subsidiary companies by these gentlemen to create inflated values, resulting in loss to small speculators. For instance there was $1,000,000 lost by one group of speculators through the Port Mann enterprise alone. But, we do not get that. A subdivision was made and the land was sold but not a single share of the capital stock of the Model City, the Port Mann terminals, the fishery, or timber, of any of these companies come to us. That is my understanding of it as a result of the best consideration I have been able to give the matter from a perusal of the various documents in the statute-books, and I have no further information with regard to it. The Minister of Finance proposes to offer an amendment to one of the sections. But that amendment is not ample for the purpose of safeguarding the public interest. What we should say in the statute is that the question to be referred is: What is the present cash value per share of the outstanding shares of the capital stock of the Canadian Northern Railway Company? What we are endeavouring to fix is the value that appertains to the shares as shares and not the value that appertains to the $60,000,000 that would carry control. That is best illustrated by the experience in connection with the Northern Pacific. Members of this House who have been reading the life of the late Mr. J. J. Hill will recall that Mr. Harriman attempted to get control of the Northern Pacific on the open market and that he nearly had control. It is interesting to remember that he would have secured control of the company if he had been able to secure the holdings of the two Scotch Canadians. That stock was bid up to $1,000 a share. That did not represent the intrinsic value of the shares, that was not the real value that attached to them; it was only the value that attached to them because possession of them carried with it the ability to control the corporation. Shares amounting to $60,000,000 carry with them control of the Canadian Northern system and it must be remembered that control always has a market value. Whether it be a small or a big corporation, control has its value. Whoever has control in this case can elect the directors and thereby control the operation of 9,500 miles of track, with all the subsidiary enterprises and at the same time control $40,000,000 cash during the year. Another illustration of the value of control is given by the Equitable Life Insurance Company. The Equitable Life is perhaps one of the greatest of our American financial institutions; yet it only has a capital stock of $100,000 and its dividends are limited to seven per cent per annum. The outstanding insurance is computed in the billions and its revenues in the hundreds of millions. General Dupont, since this war began, gave $7,000,000 or $8,000,000 to get control of the $100,000 of stock. These particular illustrations I submit, would warrant this House in inserting in this section adequate language to provide that what we pay Mackenzie and Mann for the equity of redemption; that is, the value of their shares, is not for control but for the value of $60,000,000 of shares in relation to the capital stock of $100,000,000. What the arbitration has to determine is the value of the outstanding shares.

The conclusion after that is a problem in multiplication—simply multiply the number of shares by the value fixed by the arbitrators.

With reference to the expression "their own judgment," my hon. friend from Pictou (Mr. Macdonald) did not follow me, and my hon. friend the Minister of Finance (Sir Thomas White) could not have read what I have stated in Hansard—and I do not blame him for that. I was pointing out that it was desirable the words remain there. The expression "their own judgment" should be retained as, in the event of the acquisition of shares, you could not view them as you could a parcel of property. In the acquisition of a piece of property by expropriation, you can view the premises, and I desire to apply the principle here so that if the arbitrators travelled over the property of the railway company and saw its physical condition in arriving at the value of the shares, they would, in the exercise of "their own judgment," come within the provisions of the McKinnon case, and thereby enable the citizens of the country to have the benefit of the evidence, and the exercise of the judgment of the arbitrators in fixing the price to be paid for the shares of the company if such price is to be determined by reference to the value of the assets.

Sir THOMAS WHITE: What about the question of appeal?

Mr. R. B. BENNETT: That in no sense destroys the right of appeal. The Supreme Court of Canada said it would set aside the judgment of the Supreme Court of Alberta and sustain the award, not because there was no appeal, or that it was an improper case in which to appeal, but because the fact that the arbitrators did exercise their own judgment did not in any sense destroy the validity of the award or limit the right of appeal.

Sir THOMAS WHITE: I agree with the hon. gentleman. But suppose that the Government is dissatisfied with the award, and appeals to the Supreme Court. When this question of the amount of the award is being considered before the Supreme Court it may be argued on behalf of the company that the Supreme Court is not in a position to review the judgment of these arbitrators because by the express terms of the legislation they are authorized to use their own judgment. The Supreme Court would have before them the evidence, but there would be another element which they would not have before them; that is, the facts on which the arbitrators had exercised an expert judgment. It occurred to me that that was the point the hon. gentleman from Calgary was referring to. It still strikes me as a pretty important point with regard to the question of appeal. I did not understand the statement of the hon. gentleman from Calgary as to the Supreme Court in the McKinnon case refusing to disallow the award. I thought the Supreme Court refused to disallow the award on the ground that the arbitrators were pemitted to exercise their own judgment.

Mr. R. B. BENNETT: No.

Sir THOMAS WHITE: However, I did not follow the argument closely.

Mr. E. M. MACDONALD: I am inclined to agree with the hon. Minister of Finance as to the effect of those words which it is proposed to strike out, and I think my hon. friend from Calgary in his argument yesterday was endeavouring to point out the danger that would ensue from these words being left in, so far as the effect on an appeal court is concerned. Because, manifestly, the Board of Arbitrators would arrive at a conclusion not merely upon the evidence submitted to them but by the exercise of their own judgment. They might take an expert view of the situation not based upon the evidence, and might arrive at the amount of the award in that way. You can well understand how the appellate tribunal would say: It is impossible for us to enter into the question whether or not the best judgment of the arbitrators, exercised beyond the evidence, was a matter in which they erred. The argument of my hon. friend from Calgary, I think, requires most careful deliberation before coming to a conclusion, and perhaps it would be well that the consideration of this question should stand over until the minister has brought down the information which he intimated he intended to bring with reference to section 1. That is the section which provides for the taking over of the stock and is the vital section of the Bill—the whole principle of the measure is contained in section 1. The data as to who are the holders of the stock which is to be taken over is so material that the consideration of the whole measure turns upon that to a very great degree, and I should like the minister, in that connection, to intimate what information he can give us with reference to the $25,000,000 of convertible stock. Does he expect to be able to give us any information which would indicate that a number of the stockholders were likely to come in and avail themselves of an award which fixed the value of the stock at a very high figure, and would enable them to get more than par for it? It is impossible for us to predicate in any way what award this tribunal might give, in fixing the value of the stock. Any one who has had any experience with reference to valuations or testing the question of value in the courts knows the tremendous number of matters that can be taken into consideration, more particularly in the case of an enterprise of the extent and possibilities of the Canadian Northern. So that I think we should have some information about the liability that is likely to arise, in addition to the nominal registered holdings of $100,000,000. We should understand the facts with regard to this extra $25,000,000, which, under the law, the holders could convert into common stock, for, if that is done, we shall be dealing, not with $100,000,000 of common stock of the company, but possibly with $125,000,000.

Sir THOMAS WHITE: There is no chance in the world, having regard to the earnings of the company, of the income debenture stockholders converting their holdings into common stock on the ground that their holdings are worth par. My hon. friend knows this company is not earning sufficient over its operating expenses to pay its fixed charges. There is a

deficit, and it is not only unthinkable, but it is perfectly absurd, to say that the Board of Arbitrators might find any such value in this stock as he suggests. Further than that, we are only buying 600,000 shares. No debenture stockholders would have any right to come in under this agreement. The agreement which will be entered into under the authority of this legislation provides for the purchase of only 600,000 shares. There is no right accruing to holders of the income convertible debenture stock to change their debenture stock for stock of the company, and get the price determined by the arbitrators.

Mr. E. M. MACDONALD: My hon. friend says we are only purchasing 600,000 shares. If that is all he is purchasing, and there is going to be $25,000,000 outside, why should he go to the trouble of purchasing 600,000 shares? Why not purchase 11,000 shares and get the control?

Sir THOMAS WHITE: Because there is no chance in the world of the debenture stockholders becoming shareholders by exchanging their debenture stock for shares, for the earnings of the company are such that this stock is of little, if any, value as it stands now.

Mr. A. K. MACLEAN: When must they elect?

Sir THOMAS WHITE: January 1, 1919. They have $25,000,000 of debenture stock, which is an obligation of the company. My hon. friend asks why do we buy 600,000 shares? Why do we not confine ourselves to 51 per cent? To me it is perfectly obvious that the Dominion Government, while buying this stock, should buy all of it. They do not want a majority of the stock, with a minority stock to deal with. Their proper course is to buy all the stock.

Mr. R. B. BENNETT: I agree that we should acquire every dollar of the stock, but I do not agree that we should be subject to the chance of the holders of $25,000,000 worth of minority shares coming in and owning one-fifth of this road after we have put our money into it. That right should not be standing there. After we have put from $25,000,000 to $50,000,000 into it, certain men over in England will say: This is a good thing for us! just now there is no income in this company; I paid a big price for these income certificates; I can get no money out of them—and I would much rather be a partner with the Dominion of Canada than have an outstanding obligation with the Canadian Northern. What they will do is to exchange these income certificates for common stock; then we shall find ourselves unable to deal with this enterprise as we please, in view of the holding overseas or somewhere else of this $25,000,000 worth of minority shares.

Mr. A. K. MACLEAN: Does the income stock not pay dividends?

Mr. R. B. BENNETT: Of course not; the income certificates do not pay any dividend. They are five per cent income certificates, and they pay a dividend only when the surplus over the fixed charges is available for dividend purposes. They are just what their name indicates; an income certificate is a certificate the income of which is chargeable against surplus income after paying all fixed charges. Therefore, unless there is a surplus after paying all fixed charges, there is no dividend on the income certificates. As a matter of fact, the income certificates that are outstanding were issued with respect to a special portion of the property. I understand that complaints have been made by the holders of the income certificates in England that upon the property on which these were originally charged there was a surplus available for dividends, because the Canadian Northern prairie section is a very profitable section. Their contention was that what they had was an income certificate against income in respect of that property, not in respect of the losing sections of the line in British Columbia and in eastern Canada. They have not established that point to the satisfaction of anybody, but I know that they have made that claim. It is not divulging any confidence to bring this to the attention of the committee, because these certificates can be bought on the open market. Some investors in England paid $106 for $100 par value of these certificates. The Canadian Northern received, I think, $25,000,000 net, after paying commissions. What the Solicitor-General (Mr. Meighen) said yesterday is sound: this Parliament extended the time for conversion by statute in the Act of 1914 until January 1, 1919. Section 12 of the Act reads as follows:

> The capital stock of the Canadian Northern is hereby fixed at the sum of one hundred million dollars subject to increase only by the Parliament of Canada:
>
> Provided that for the purpose of exchange of Income Charge Convertible Debenture Stock, secured by trust deed made to the British Empire Trust Company, Limited, and the National Trust Company, Limited, dated 6th

May, 1910, not exceeding twenty-five million dollars in all, there may, during the period of the option of exchange given by said Trust Deed to the holders of said debenture stock, viz., the years from January 1, 1916, to January 1, 1919, inclusive, and during any extension of that period, be issued to such holders who may exercise said option, such amounts of capital stock, over and above one hundred million dollars as may be required for the purposes of such exchange, not exceeding one hundred dollars ($100) of capital stock for one hundred dollars ($100) of debenture stock and not exceeding in all twenty-five million dollars.

Provided that the Canadian Northern may extend the period of said option from time to time. The said additional twenty-five million dollars of capital stock is hereby authorized and shall be set apart for the sole purpose of such exchange and any fully paid stock deposited with the trustees of said trust deed for such purposes may be returned to the depositors thereof:

Provided, also, that no further issue of said Income Charge Convertible Debenture Stock shall be made under said trust deed.

As these income certificates are on the open market, something should be done to prevent, say, John Smith from going to the London Stock Exchange, buying $1,000 worth of these income certificates and becoming a partner with the Dominion of Canada in the ownership of the Canadian Northern. That is my case.

Mr. MEIGHEN: There was considerable discussion about these bonds in 1914. To understand the position it is necessary to make amply clear the nature of the bonds. I do not know what it is secured on; my own understanding was that it was secured on the Canadian Northern Railway Company's properties of every kind; that is to say, the properties of the parent company alone. The issue was of this nature: the Canadian Northern Railway Company made the issue, secured on their own property, and there were two exceptional provisions in the trust deed which secured the issue. One was that the debentures were to be entitled to dividends only out of profits over and above previous fixed charges and operating expenses. Where there were no profits there was no accumulation, and they could not exact a dividend out of one year's profits by reason of a failure to pay dividend before. That was the first exceptional provision. The other exceptional provision was this: the holders of these debentures were entitled to exchange debentures for stock—$100 debenture for $100 stock—at any time between the dates specified in the Act, January 1, 1916, and January 1, 1919.

Mr. R. B. BENNETT: It was not as long as that at first,

Mr. MEIGHEN: These were the dates.

Mr. R. B. BENNETT: That period was extended by statute.

Mr. MEIGHEN: My hon. friend is wrong; we did not extend it by statute. Reference to the Act will show that. Section 12 reads:

> Not exceeding twenty-five million dollars in all, there may, during the period of the option of exchange given by said Trust Deed to the holders of said debenture stock, viz.—the years from January 1, 1916, to January 1, 1919, inclusive.

That was the period fixed by the original trust deed within which the option of exchange might be exercised. Of course, the company has the right to extend that at its pleasure, but they cannot be compelled to extend it. That is still the effect of section 12. Selling at the time they did, no doubt that provision for exchange enabled them to sell those bonds at a higher figure than they would otherwise sell for. It being clear that that dividend on those stocks is a first charge on the profits of the company —over and above, of course, previous fixed charges and operating expenses—those bonds would bear a five per cent dividend before the stock could bear any dividend at all; or, indeed, before the stock could have any dividend-bearing value.

Mr. NESBITT: My hon. friend told the member for Pictou, in answer to a question, that these stocks were cumulative. I do not think they are.

Mr. MEIGHEN: They are not cumulative; that is what I am emphasizing. So that inevitably these debentures would bear a five per cent dividend before any stock for which they were exchangeable could bear any dividend. This business conclusion, therefore, follows: there was some reasonably early prospect of the stock bearing more than five per cent dividend, and after they had borne a five per cent dividend no one would ever think of exercising the option of exchange. They have only this year within which to exercise it, unless the company sees fit to extend. Of course, if this Bill goes through we shall own the company, and may extend or not. just as we see fit.

Mr. NESBITT: As a matter of fact, they are entitled to that 5 per cent before any dividend is paid on the ordinary stock.

Mr. MEIGHEN: Yes, they are absolutely entitled to that. A man cannot get a cent of dividend on his stock until the holders

of those debentures get 5 per cent on their debentures.

Mr. MACDONALD: Those debentures are really preference stock?

Mr. MEIGHEN: They are really, in a sense, preference stock. We are in this position: The records of the company show that there is no possibility for some years—I do not know how many years, two, three, four, five to ten years—of the stock bearing a dividend. There is, however, a possibility of those debentures bearing a dividend, and whatever may happen to the company, the debentures are a charge on the assets of the company, of course, in preference to the stock. Consequently, the debenture holders are in a far better position now than they could ever get into by exercising their option of exchange, at all events, until January 1, 1919. Therefore, exercising what business ability I have, I would think there is not the remotest possibility of this right being exercised. Assuming that to be at least tolerably correct, we are in this position: There are the holders of those convertible debenture bonds, and one element of the value of those bonds is the element of the option of exchange. We cannot, in this Parliament, without paying them in some way for that right, very well cancel it. We cannot extinguish that asset which they have, whether we deem it of any value or not. They might, perhaps, deem it of value, but I do not see how we could extinguish it.

Mr. R. B. BENNETT: If we took possession under the Act of 1914 we would wipe them out.

Mr. MEIGHEN: We could do that, but we would suffer infinitely more by doing that, because they would have a charge against the company just the same.

Mr. R. B. BENNETT: No, there would be no stock.

Mr. MEIGHEN: There would be no stock for which the debenture holders could exchange their debentures. We would have to adopt a different course altogether, and that would inflate the value of the other properties, and it would cost the country a great deal more to carry out the transaction in that way.

Consequently, as there is no reasonable prospect of any exchange, and inasmuch as we should not take away the assets of people without making provision for the valuation of those assets, I do not think we should take action now. Suppose the worst came to the worst; suppose those people in England, and those citizens of Canada, of whom there is probably a greater number of them in England, who hold this debenture stock, should immediately come to the conclusion that under the efficient management of this Government that stock will immediately reach a value over par and consequently be worth more than the debentures, some of them who came to that conclusion might exchange. It would then be open to us to provide a similar measure to this and submit that stock which they exchanged to a court of arbitration for the determination of its value, and then we could take it. We would not be at any great loss because for every $100 worth of stock we then expropriated, we would get rid of $100 of debt—$100 of debt would be exchanged for $100 worth of stock, and we would get the stock. Consequently, the debt would be gone, so that we would have nothing very great to fear.

In the first place, then, there is no reasonable possibility of any of those debentures being exchanged. Secondly, if there is, it is difficult to arrive at any just or practicable way of extinguishing that right of exchange. Thirdly, without extinguishing that right, we are in no peril whatever. While we do not wish to be partners with any one in this property—and the hon. member for Calgary is right when he states that we should own it out and out—we have a very fair method of extinguishing the interest of any partner who might possibly come in under this legislation.

Mr. NESBITT: I quite agree with the Solicitor General that it is not within reasonable possibility that the debenture holders would want to exchange. I do not think they would exchange on the expectation of the road earning a dividend on those debenture shares or on the common stock, but if the common stock were submitted to arbitration for valuation and the value fixed by arbitration, if they could exchange then and get the same value for their stock as that fixed by arbitration, I for one, if I were a holder of that stock, would much prefer to take my chance of getting a certain amount on the dollar in that manner to taking a chance on the road earning a dividend.

Mr. R. B. BENNETT: I thought that was what the solicitor mentioned yesterday, namely, that a section should be added, giving those debenture holders the opportunity of exchanging their 5 per cent debenture income certificates for the same amount of cash as fixed by the arbitration for the

value of the stock, if they wanted to do that, as my hon. friend now suggests.

Mr. NESBITT: That would be using them only fairly and justly. That is the only reason I can see why they might wish to exchange, because I think there is no reasonable probability of the road, within many years, earning the interest charges.

Mr. MEIGHEN: Under this legislation, of course, after they made the exchange and got the stock instead of the bonds, they would not have the right to say: We are entitled now to ask you to take that stock from us at the rate fixed by the arbitrators for the other stock you are now taking. The hon. member for Calgary suggests that we should give them that right.

Mr. R. B. BENNETT: Yes. Why should they not have it?

Mr. MEIGHEN: We would lose nothing by letting the legislation go as it is, because we can at any time send this stock to arbitration, should it ever come in.

Mr. NESBITT: If they exchange before the arbitration took place, would they not be entitled to rank?

Mr. MEIGHEN: No, because this Bill provides only for buying 600,000 shares.

Mr. McCREA: It would be wise to postpone this discussion until we get the necessary information. The hon. member for Pictou (Mr. Macdonald) last night asked for certain information in particular as to who were the present holders of this stock, and if I understood the Minister of Finance aright, he promised to get that information. As yet, however, we have not received it, and there is other information to which we are entitled. Evidently, the Government brought down this measure without being equipped with the necessary information that the people of this country and we, as their representatives, are entitled to have. We are entitled to information concerning a thousand and one things—

Sir WILFRID LAURIER: Leave out the one.

Mr. McCREA: —but the information has not yet been furnished. The hon. member for South Renfrew (Mr. Graham) last night referred to a disputed account. A contractor had made a deposit of some $18,000, of which $5,000 had been refunded, there being still outstanding $13,000 which the contractor claims, but which claim the Canadian Northern do not recognize. In addition to that the contractor claimed the balance of some $18,000 making a disputed account outstanding amounting to about $31,000 that evidently the Canadian Northern do not acknowledge. If we are to take over the stock of this road and become the owners, taking the place of Mackenzie and Mann as regards the financing of the road, it is well we should know how many of those outstanding accounts are floating around and not acknowledged or settled. We should know many things in connection with this transaction before we pass it through this House. There is, for instance, the question of the basis on which the arbitrators will determine as to the value of this stock.

The hon. member for Calgary suggested two bases: First, the actual cost of the road less depreciation, and secondly, what it would cost to reproduce the same property under present conditions. If the latter is adopted, no one can say what we should have to pay, because the cost of labour and material used in every kind of railway construction has increased in very great degree. The gate is left open; the arbitrators can adopt whichever course they see fit. I think the safer and wiser way would be to deal with the stock from the point of view of what assistance it had been in the construction of the road. I notice that the commissioners say in their report that there is no money to be derived from the sale of the stock which was used in the construction of the road. If that be true, and I do not think there is any doubt about it, what need is there to arbitrate to find out the value when the stock has no value?

The hon. member for Calgary also told us yesterday that prior to the legislation of 1914 the capital stock of the company was $70,000,000, but then, by a simple stroke of the legislative pen, we created $25,000,000 more stock, which represented no actual value. To-day, we are asked to place a value on that $25,000,000 of stock by arbitration.

I think it would hasten the passage of this Bill if we adjourned the debate and proceeded with some other business until we get the necessary information. I have never been disposed to delay the proceedings of this House, but I certainly am not disposed to allowing this legislation to go through, if I can help it, until we are given full information, and I trust that members on both sides of the House who are interested in the welfare of the country will support me in that suggestion. It will be a bad enough bar-

gain when we have all the facts before us, but in a matter of this magnitude, involving the expenditure of $600,000,000 we should at least know how bad a bargain we are making, and should not pass this legislation in any light or hasty manner. I repeat that the Government have not shown a disposition to give the House the information to which it is entitled, and I again urge the Minister of Finance to adjourn this debate and proceed with some other business, because I think by so doing he will make just as quick progress.

Sir THOMAS WHITE: I am afraid my hon. friend has not read Hansard in so far as it records this debate, nor the documents which have been already filed. I think it would be impossible in a transaction of this magnitude to give the uttermost details in connection with minor claims such as my hon. friend has referred to. The hon. member for South Renfrew (Mr. Graham) brought up the question of claims last night, and I gave a full explanation with regard to the particular claim he referred to. It is a claim that is not admitted; it is contested. My hon. friend would not contend that the Department of Railways should insist upon the payment of a contested claim without investigation. The Department of Railways have investigated this particular claim, and have suggested a mode of solution which appears to them, and appears to me, to be reasonable, but which has not been availed of by the parties who have complained about the matter. Not only that, but there is ample money in the way of drawback in the Department of Railways to take care of that claim. All that was stated last evening.

As far as the stock is concerned, I stated that I would endeavour to get the information for the House, and I am doing so. When my hon. friend says that the Government has come down to the House without adequate information, so far as the purchase of stock is concerned, for carrying out this transaction, I do not agree with him. For this reason: The Dominion Government owns 40 per cent of the fully paid up stock of this road. We provide in the agreement for the acquisition of the remaining 600,000 shares. We know where we can get five-sixths of the shares. We know that 51 per cent, which is more than five-sixths of the 600,000 shares other than those held by the Dominion Government, will come in. That leaves only 9 per cent of shares. If the 9 per cent come in they will be dealt with under the agreement.

[Mr. McCrea.]

If they do not come in, there is power in the Bill enabling the Government to declare that they are vested in His Majesty, and their owners will be entitled to the price which the others receive.

So far as the Government's programme before the House is concerned, for providing the machinery to take over the remaining capital stock of the Canadian Northern railway, it is complete. All the information as to the general financial position of the company is already before the House in the blue books which have been published and in the statements which have been laid upon the Table. More than that, the House is generally familiar with the Canadian Northern Railway situation, which has been before the House for practically the last ten years. In 1914 a most thorough investigation was made by accountants and experts with a view to determining the facts. The sessional papers of that year are full of information respecting the Canadian Northern. We have the balance sheet certified by the auditors, and we have our own auditors carrying on a continuous audit. We have had Government directors on the board for the past year. While there may be a number of outstanding accounts, some of them contested and others not, it seems to me that we have substantially before us the information which would enable the House, which is not a judicial body, to come to a conclusion such as Parliament comes to on a question of this kind. In all these large transactions, whether it is a question of building a transcontinental railway, or of affording assistance to the Grand Trunk Pacific or the Canadian Northern, while it is desirable to have all reasonable information, it is not possible to get down to the meticulous information that would cover every particular point. If, however, there is any information that is not before the House other than that which has been asked for, and which it is reasonable to ask for and possibly to get, I shall be disposed to use my best endeavours to obtain it for the House.

We might go on with the other sections until six o'clock, and take up some other Bill this evening. I thought possibly the Income Tax Bill might be taken up, if the committee is of opinion that we cannot make much progress with regard to section 1. The Prime Minister is not here, and I would prefer that hon. gentlemen would address themselves to section 2, with a view to seeing whether we cannot make some progress.

Sir WILFRID LAURIER: There is a good deal of force in the remarks made by my hon. friend from Sherbrooke (Mr. McCrea), that the information first supplied by the Government was rather scanty. I must say the Minister of Finance has been very courteous and ready to give any information asked for. I think the amendment which he has proposed had better wait until we come to discuss that section. In the meantime, I would ask for more information than we have received so far, upon some other points. I have asked information as to what we acquire, and my hon. friend has satisfied me that in acquiring the stock of the parent company what we acquire is limited to what is set forth in the schedule of 1914. So far, so good, and we understand where we are.

Sir THOMAS WHITE: The information I gave is brought down to date.

Sir WILFRID LAURIER: Yes, I understand. As a point of law everything is detailed in the Act of 1914. We acquire what is stated in the schedule to the Act of 1914, nothing more and nothing less. A moment ago I mentioned The Mount Royal Tunnel and Terminal Company, which is a very important part of the terminals of the road. My hon. friend has not given us any information, so far as I know, as to the liabilities, possibilities, and obligations we are assuming when we acquire this company. The Mount Royal Tunnel and Terminal Company provides for the terminal of the road at Montreal. I do not know whether the tunnel has been completed or not, but I understand it is practically so. There is, however, a great deal still to be done in connection with the completion of the terminus at Montreal, and we have had no estimate as to what it will cost to complete that portion and make it a working enterprise. At the present time the Canadian Northern has no terminus in the western section of Montreal. It has a temporary terminus in the east end of the city. Like the Canadian Pacific, the Canadian Northern must have two stations there, one in the east and one in the west. I do not know whether it is using the eastern station or not, but, in any event, it must have a western station, and there will be a great liability upon the Government to complete this. My hon. friend from Calgary (Mr. R. B. Bennett) called attention yesterday to the terminal in British Columbia. He said:

> The Canadian Northern is the owner of Northern Pacific stock. That will now belong to us. If you take the line from Vancouver to the Kamloops valley, a large quantity of property has been acquired. As regards British Columbia we find that there is $4,725,945.51 in the banks, and the total liabilities with respect to western lines uncompleted is only $1,612,000, so that there must be in the banks of British Columbia a large sum of money arising from the sale of securities that has to be used for the construction of terminals and lines which we are bound to construct.

We have had no information whatever upon those lines which we are bound to construct in British Columbia. My hon. friend will realize that Parliament cannot be expected to pass this Bill until we have positive information on these points.

Sir THOMAS WHITE: I think I gave the House the information my right hon. friend asks for, respecting the terminals.

Sir WILFRID LAURIER: I did not see the figures.

Sir THOMAS WHITE: It is no trouble giving them again. Three terminals have been referred to, the Montreal terminal, the Toronto terminal, and the Pacific Coast terminal. The estimated cost to complete those terminals is as follows: the Montreal terminal, $578,000; the Toronto terminal, $388,094; the Pacific Coast terminal, $1,500,000—a total of $2,466,094. Add to that the estimated cost to complete lines already under construction, as follows: western lines, $1,612,005, eastern lines, $110,000, a total of $1,722,005. This makes the estimate of the requirements for the construction programme the Canadian Northern has now under way, $4,188,099. As provision to meet these payments, there is cash in trust accounts, representing the proceeds of bonds which have been sold, and applicable to the construction of these terminals, and those western lines $3,683,831—

Sir WILFRID LAURIER: That is in British Columbia.

Sir THOMAS WHITE: Yes—government guaranteed securities $217,160, Canadian Northern four per cent debenture stock, $287,108, making a total of $4,188,097. With regard to the last item, Canadian Northern four per cent debenture stock, $287,108, my own opinion is that it is not readily saleable. The Comptroller of Railways is in close touch with the operations of the company, by reason of the guarantees and the subsidies which the Dominion Government has given in respect of their lines. He has checked these figures very carefully and there seems no reason to doubt their accuracy. I shall get the other information for my right hon. friend.

Mr. KNOWLES: What is meant by completing the programme of the Canadian Northern?

Sir THOMAS WHITE: Probably I should has said, the programme actually under construction—not the ultimate programme.

Mr. KNOWLES: Does it mean continuing every branch so that it will no longer be a blind line, for example?

Sir THOMAS WHITE: No. Only the work actually under construction; with the idea of determining what is the outstanding liability and what funds there are to meet it. Of course, in any railway system, as my hon. friend knows better than I do, because he is from the West, extensions will have to be made continually. The construction of those extensions will depend, first, upon the urgency of the need for them, and secondly, upon the financial situation. I have no doubt that the Canadian Northern Railway system, the Grand Trunk Pacific system, and even the Canadian Pacific have had extensions in contemplation on many lines, but the programme has been held up by reason of war conditions, and difficulty of financing.

Sir WILFRID LAURIER: The information my hon. friend gives is partly satisfactory, but it is not complete.

Sir THOMAS WHITE: What else is there?

Sir WILFRID LAURIER: For instance, my hon. friend says it will cost $578,000 to complete the terminus in Montreal, if I caught the figures correctly. It is impossible that half a million dollars will complete the terminals in that city—the actual, present programme. But, as to what it will cost to complete the terminals in Montreal we have no information. A railway is always building, always spending money. The Canadian Pacific, the Grand Trunk, the New York Central, are always constructing and building, but these railways are going concerns; they are railways in operation. The Canadian Northern, to a certain extent, is a going concern, but it is only partially so. It is not a going concern in Montreal to-day. The Canadian Northern is not completed to Montreal, and it is of the greatest importance, with reference to its own profit and the interests of the country, that it should be completed to Montreal. I am quite a believer in the Canadian Northern and I believe that when it is completed, as it was conceived by its promoters, from Edmonton to Montreal, it will have a very great future before it. But it is to be completed and that is what we want the information about. My hon. friend has not told us how many millions of dollars will be necessary to complete the entrance of the Canadian Northern to Montreal. He has information only in reference to the programme that they have in contemplation this year, or that they had, perhaps, three years ago, when they were interrupted by the war. But this programme is not complete and it must be considerably supplemented in order that the Canadian Northern may become a going concern especially in the eastern part of Canada.

Sir THOMAS WHITE: I am informed that the present construction programme is adequate to meet the needs of the system at this time.

Sir WILFRID LAURIER: Do I understand that $500,000 or $600,000 will bring this railway to the terminals on Dorchester street?

Sir THOMAS WHITE: The Comptroller of Railways informs me that that is so. I have no personal knowledge about it. The expenditure on terminals might be quite unlimited. Take Toronto, for example; for many years they have been getting on with a station wholly inadequate to the traffic requirements.

Sir WILFRID LAURIER: But there was a station.

Sir THOMAS WHITE: There was a station. I understand there is to be a temporary station in connection with the Canadian Northern at Montreal, approved by the Board of Railway Commissioners. It is better to have a temporary station than not to have a station at all. But if we can look forward, as I think we can, to greatly increased business the time will come when this temporary station will not serve the purpose and when a proper station will be built. I do not think it is possible at this moment to say how many millions are to be spent on that terminal. Over a course of years, or in a generation, a great many millions might be spent on a terminal. The safeguard is that the company is not permitted to go beyond this programme.

5 p.m.

Sir WILFRID LAURIER: My hon. friend tells me that $570,000 will cover the expenditure on the terminals at Montreal. I understand that that expenditure will provide

a temporary station and enable trains to come to Dorchester street?

Sir THOMAS WHITE: The Comptroller informs me that is absolutely correct.

Mr. MURPHY: Might I suggest to my right hon. leader (Sir Wilfrid Laurier) that he might be too easily satisfied. I happen to know something about the Mount Royal terminal and station. While $570,000 may be sufficient to bring a train into the temporary station that, it is now stated, will be erected there, nothing at all is said about the enormous amount that will be paid by way of compensation and damages for land that has been taken and which has not yet been settled for. The claims have reached a huge sum. I happen to have personal knowledge of some of them, and I submit to the Minister of Finance that there should be placed before this committee, in addition to the information which has been asked for and which the minister has promised to bring down, a statement showing the actual amount determined so far to be paid and the undetermined claims that will have to be paid for land taken by the Mount Royal Tunnel and Terminal Company. The claims for land in and about the city of Montreal must run into a very large sum indeed. This committee should have the information before it is asked to put through the Bill. The request made for the postponement of the consideration of the Bill was based on two grounds. It was based by my hon. friend from Pictou (Mr. Macdonald) upon the necessity of considering the amendments that have been proposed, and, secondly, by my hon. friend from Sherbrooke (Mr. McCrea) upon a request for further information. In connection with the amendments might I suggest that if possible the amendments which were forecasted by the hon. member for Calgary (Mr. R. B. Bennett) might be submitted to the committee also, so that if there is any postponement of the discussion we shall have the benefit of having these amendments before us and we can consider them all. I would like to ask the hon. member for Calgary a question. Did I understand him to say that if the holders of the income certificates were to exercise their election within the time specified and the exchange for common stock were to take place, such exchange would be made for a portion of the present $100,000,000 of stock.

Mr. R. B. BENNETT: No, I said that any exchange would involve an increase in the capital stock beyond $100,000,000 and would introduce new shareholders into the enterprise.

Sir THOMAS WHITE: I shall endeavour to get the information which my hon. friend requires in regard to the claims. I think the Comptroller of Railways can obtain it for him. Some of the claims are in the courts. I am unable to say at the moment what the sum total will amount to. The fact that they are in the courts is not a reflection upon the company, because the claims may or may not be just. A portion of a bond issue was paid in connection with these charges in order to provide money for completion, and there is a balance on hand which it is estimated will take care of the construction programme in immediate contemplation.

Mr. KNOWLES: There is other information that I would like to have. The minister said that there was a specified sum of money available to complete the work which is called for by the programme. That amount must have been arrived at by some system of accounting or by a statement of some sort. I would like the minister to give us some information showing how that sum was arrived at and where geographically this programme is to be put into effect.

For example, in my riding there is a piece of the Canadian Northern railway which runs fifteen or twenty miles from the international boundary, and goes westward to Bengough, which is about straight south of a point between Regina and Moosejaw. But the line stops there quite suddenly and unexpectedly, although they have a portion of the supplies to continue the railway further. I am in doubt as to what the hon. minister calls building according to programme. This is at present a blind line, and it was never intended it should stop there. It was to serve the country west of that place, and that was the justification for building the railway, because people west were more urgently in need of the transportation. Does he mean that money now lies in the bank earmarked for that? Is it earmarked for the road beyond Bengough, or only up to Bengough? Because the road beyond Bengough was more essential to the people of that district than the road up to that point.

There is another line north of the Saskatchewan river, passing westerly south of Kindersley, between that and the south Saskatchewan river. This line stops east and about 20 or 25 miles south of Kindersley. Money has been borrowed on the bonds for the building of that road. I cannot conceive that the money borrowed and lying in the bank is just enough to provide for construction exactly as far as the road happens to be built. That is

inconceivable, because they did not get the money mile by mile. I should like to know how far these two particular lines are covered by money that is earmarked for the completion of the line.

Sir THOMAS WHITE: That would involve an examination of the legislation authorizing the construction, and the trust deed under which the bonds were issued, whose proceeds my hon. friend has referred to. I have asked the Comptroller of Railways to obtain the information, and I suppose he will furnish it later.

Mr. KNOWLES: If they have been able to arrive at a sum which would likely complete the road, surely they must know where the road will be when it is completed?

Sir THOMAS WHITE: It is quite possible the money they have in hand, representing the proceeds of the bonds, would not be sufficient to construct the railway which they had in contemplation when the project was entered upon, because of the increased cost of labour and material at the present time. I beg to move that the committee report progress.

Mr. NESBITT: Would the hon. minister adjourn the debate till Monday?

Sir THOMAS WHITE: We have to obtain certain information, and we will proceed on Monday or Tuesday, when I hope we shall be able to make progress.

Sir WILFRID LAURIER: With regard to the land damages in Montreal, arising out of the construction of the tunnel, has the Government any information as to the unsettled claims for damages? They amount to a very large sum, and I hope the Government will give us the information.

Mr. R. B. BENNETT: Much of the information asked for by the right hon. gentleman (Sir Wilfrid Laurier) is already contained in the Canadian Northern blue book. On page 10 of that book we have a list of the unguaranteed securities, as follows:

Mt. Royal T. & T., 5 per cent rent charge bonds, $9,191,366.72.

Those bonds are secured by mortgage on the rental, as I pointed out, equivalent to five per cent of that amount, and if my right hon. friend will turn to page 11 he will find that, in London, $790,000 of these bonds are hypothecated for loans there. There is none of them in Canada, but in New York, due on the 1st September this year, there is a loan of a million and three-quarters secured by the hypothecation of two and a half million of those securities, and that money is paying for these temporary structures.

Progress reported.

WAR TAX UPON INCOMES.

Sir THOMAS WHITE moved the third reading of Bill No. 117, to authorize the levying of a war tax upon certain incomes.

Sir WILFRID LAURIER: I hope the hon. minister will not take that up now.

Sir THOMAS WHITE: I understood it was agreeable to hon. gentlemen that we might proceed with the discussion of this Bill.

Mr. PARDEE: As I understand this matter, the hon. Minister of Finance has practically said that the income tax is being introduced in lieu of what is known as the business profits war tax.

Sir THOMAS WHITE: No, that is not correct.

Mr. PARDEE: As I understand the matter, the business war tax is to come to an end, and will not be continued after the end of the year.

Sir THOMAS WHITE: The business profits war tax, by its terms, comes to an end on December 31st of this year. When that measure was introduced, it was thought the war would be at an end by that time. I stated expressly the other day that we should tax abnormal business profits resulting from the war, and in the next Budget that I bring down we shall deal with that matter.

Mr. PARDEE: Can we take it in this way: that the present War Tax Profits Bill expires December 31, 1917?

Sir THOMAS WHITE: By its terms.

Mr. PARDEE: Will there be a renewal?

Sir THOMAS WHITE: I have stated that next year a taxation will be imposed on excess business profits. I stated also the other day that it might be necessary to make some allowance for necessary plant extensions, but I laid down the principle, as strongly as I could, that abnormal business profits due to the war must be abnormally taxed.

Mr. PARDEE: In that I quite agree. In so far as this Bill is concerned, abnormal business profits will be taxed, but I think we may take it that, to a large extent at

least, the Bill before the House is to take the place of the former measure, with the exception of abnormal business profits tax. It appears to me, under these circumstances, that, in the first place, the House and the country are entitled, at least, to an approximate estimate by the minister as to what the income tax is expected to yield. Even although it may be as the minister argues, that by reason of income tax investments are not encouraged, and that people are kept out of the country. We have to face this question squarely; we have to make up our minds that no matter what may be the result of the income tax or no matter what may be the result of imposing taxes at this time, taxation must be imposed in order that Canada may carry on her share in this war. I was one of those, Sir, who voted for the Military Service Act. I did not do that lightly; I did it with the full realization of the responsibility that it involved. But when I did that I considered that my duty would not be fully performed if I did not urge upon the Government not only the conscription of men but also the actual and entire conscription of wealth. I do not believe —let me repeat it—that this or any Government can with justification pass a Bill conscripting flesh and blood and leave practically untouched a man who is a large bondholder, the man who periodically clips the interest coupons from his stock certificates and cashes them. That man, I say, should, more than any other man in this country, pay in proportion to his wealth towards the carrying on of the war. Unless you take measures to provide that such men shall pay according to their ability to do so, you are not making for equal sacrifice. The minister argues: you should not speak about equal sacrifice, because no sacrifice is equal to the sacrifice of life. Nobody has argued that such is not the fact. But I do say that in taking away from the rich man his money you do cause him to make sacrifice, because if he did what he ought to do he would give up that money in some other way than under a form of taxation. I argue, therefore, that to that extent the giving up of wealth is a sacrifice; that that sacrifice should be made by those who are in a position to make it, and that if it is not made willingly a measure ought to be brought in by the Government to provide for the conscription of wealth in the actual sense of the term. Men have volunteered for service at the front, willing to give their all for the cause for which the Allies are fighting. Voluntary recruiting having failed and a measure of conscription having been adopted, it is the absolute duty of the Government to back up the men at the front by the wealth of the men who stay at home. The soldier at the front should not be obliged simply to take the crumbs from the rich man's table; there should be absolute conscription of wealth; only that is at all worth while. I am not content that the man whose income is $10,000 should have $9,640 left after paying the proposed income tax; that a man whose income is $12,000 should have $11,640 left; that a man whose income is $20,000 should have $18,740 left; that a man whose income is $50,000 should have $44,740 left; that a man whose income is $75,000 should have $64,990 left. There is no conscription of wealth there. It is a mere flea-bite; a mere cheese-paring. It does not take from men enough to make it hurt. The rich man and the rich corporation who are protected by the men who are fighting our battles at the front should give to such an extent that it will hurt. My contention, therefore, is that the so-called income tax is not an income tax; that it is merely a pretense at taxation where taxation does not really exist. I submit that the Government should so amend the Bill that larger sums should be taken from those who are best able to pay. I therefore move, seconded by Mr. Ross:

That the Bill be not now read a third time, but that it be referred back to the Committee of the Whole House with instructions (with the approval of the Government) to further consider the question of providing that a much larger tax be imposed on income exceeding $6,000.

The DEPUTY SPEAKER: I know that Mr. Speaker, if he were here, would make a ruling in respect to this motion. At eight o'clock, I assume that he will have something to say with regard to it. In the meantime, the discussion on the amendment may proceed.

Mr. MICHAEL CLARK (Red Deer): I am aware, Sir, that the third reading of the Bill is not usually taken advantage of for an extended discussion, and in anything that I say to the House I shall keep that well in mind. I had not an opportunity of saying anything on the second reading of this Bill, and I should like to make one or two observations at this stage.

A shrewd man said in his biography: "Nations seldom accept advice from individuals, however reasonable; they are taught less by theory than by facts and events." If this House had been teachable by theory on a question of direct taxation, we should have had an income tax before

to-day, and I should have had some responsibility for its existence, because since I came to this House nine years ago I have taken frequent opportunities of pointing out the disadvantages of indirect taxation and the superiority of direct taxation. The war, however, has been a great fiscal schoolmaster, as well as a great schoolmaster along other lines, and personally, while I have something to say in the way of suggestion to the hon. minister, I beg to offer him my hearty congratulations that—somewhat tardily, I am afraid—he has learned from the course of the war the necessity of putting on some direct taxation.

I was very much interested in the remarks of the hon. member for Kingston (Mr. Nickle) yesterday. He drew attention to one of the points of superiority of direct over indirect taxation when he very clearly said that direct taxation has a tendency to fall more upon the shoulders of the rich than upon the shoulders of the poor. In this way it is diametrically opposed in its incidence to taxation of an indirect nature under a tariff, which, as a matter of fact, falls more upon the poor than upon the rich.

He might have gone on to point out another advantage of direct taxation, and a very great advantage in this regard. The minister has said that he anticipates that $20,000,000 will be raised under the Income Tax measure as he has introduced it in this House. If we were to raise that $20,000,000 under a tariff, we should permit people within our own shores to take, for their own aggrandisement, two, three or perhaps four times that $20,000,000 out of the pockets of the taxpayers, at the same time that we got the paltry $20,000,000 for the benefit of the State. That seems a very absurd way of raising the revenue of a country, and there is no contraverting the fact that, when we take, let us say, $20,000,000 by duties on goods imported into the country, by raising the price of goods of a similar kind produced in the country, we at the same time transfer two or three or four times that $20,000,000 from the pockets of the consumers into the pockets of those incidentally protected by the customs tariff. That, with the advantage pointed out by my hon. friend from Kingston, would seem to me to be enough to convince any reasonable body of legislators that there are very great advantages in direct taxation over those possessed by indirect taxation.

[Mr. M. Clark.]

I want, however, to do the Minister of Finance the obvious credit of saying that I think, so far as my knowledge of the history of Canada goes, he is the first Minister of Finance who has raised any direct taxation in the Federal Parliament, and, after all, it is but bare justice to do him that credit. He deserves credit to that extent, and he has earned that credit, not always with the encouragement which he has a right to expect from every one in war time. When the minister introduced his excess profits taxation, I remember the hon. member for Pictou (Mr. Macdonald), night after night, castigating my hon. friend for introducing the tax. I am sure the minister remembers that also.

Sir THOMAS WHITE: He does.

Mr. MICHAEL CLARK: That does not represent the full measure of the hardness of the minister's case, because when he proceeded to carry out his previous promise by which he was bound to let the tax lapse at a certain period, just as my hon. friend from Pictou had pursued him with horse, foot and artillery, for putting the tax on, so my hon. friend from North Cape Breton (Mr. McKenzie) pursued him with horse, foot and artillery for taking the tax off. I do not think it is possible to conceive of any Minister of Finance, unless he had gifts superior to those of human beings, pleasing two critics holding such diametrically opposite views. The surpassing ability of the right hon. leader of the Opposition (Sir Wilfrid Laurier) as a leader is shown by the fact that he gathers both those followers holding diametrically opposite views under the capacious shadow of his own garment. I hope this will not be taken in bad part, because I do not mean it so.

Mr. McKENZIE: For of such is the Kingdom of Heaven. His followers come from the East and from the West.

Mr. Michael CLARK: My hon. friend is the last person to whom I would go as being an authority on who would be of the Kingdom of Heaven. I want to say something in endorsation of the view which has been put forward by my hon. friend from West Lambton (Mr. Pardee) and which had been previously put forward by my hon. friend from Kingston (Mr. Nickle). I do this by way of suggestion to the minister. When I made some remarks upon the second reading of the Military Service Bill, I very earnestly pointed out to the Govern-

ment that they would facilitate the reception of their military service measure with the people if they gave an earnest that they were disposed to use not only the man-power, but the material-power of the country to the utmost possible point for the purposes of Canada's further share in this great war which, I sincerely hope, in spite of the fact that it seems largely forgotten for the moment, we have not really forgotten in this country and we are not going to forget.

The war cannot be continued upon the principle of death in the trenches, debt for posterity and millions for the profiteers. That is not a fair arrangement of sacrifice. I quite agree, as my hon. friend from West Lambton (Mr. Pardee) has agreed with the Minister of Finance, that you cannot have equality of sacrifice, but that simple statement is not any excuse for our not going as near to equality of sacrifice as we can when we pit mere dollars against flesh and blood. From intercourse with a very large number of one's fellow-citizens and from all that I can learn, I am bound to say that the people, and, in particular, the wealthiest portion of the people, would have been glad if the minister had gone further along the line of income taxation than he has gone by this measure. I offer him this suggestion and make this statement in no unfriendly spirit. The very opposite is the case; I make it, believing that what I say is true, namely, that the people of Canada are prepared to suffer and to suffer financially in the cause of this war. What other meaning could be attached to the fact that a gentleman in Hamilton actually gave about $750,000 of excess profits that he felt he could not keep in face of the sacrifices being made by the men in the trenches? The people, I am sure, are ready to make that sacrifice and would be glad to see this tax go further. The exemption is very high. The people of Great Britain, as everybody knows, are making enormous financial sacrifices in this war, and if I am not mistaken the minimum exemption there is $750. There is a long interval between $750 and $2,000, and I cannot think that the cost of living in war time is so much higher here than it is in Great Britain as to justify so large a hiatus as that. I believe the people of this country would have stood for a lower level of exemption in regard to this tax, and I know that is so, because I have met numbers of people whose incomes are lower than $2,000 who resent having been left out of the operation of this tax. But however that my be at the lower end of the scale, I feel with others on both sides of this House, that the Government has not gone far enough upon the higher end of the scale. I know millionaires who have expressed their very highest satisfaction with this income tax, and I do not think that is a good compliment to the tax. I would lower the satisfaction of those gentlemen if I were in the position of the minister; I would give them less satisfaction and more taxation.

I am certain, as some others have said, that this form of taxation has come to stay in the Dominion. The best experts say that the war will last for two years yet, and the condition of affairs after the war will require an amount of revenue in this country which it would be impossible to raise by means of customs taxation—absolutely impossible whatever party is in power—and whoever holds the portfolio of Finance will have to look more and more largely to direct taxation for discharging the liabilities that come to us through this war and for carrying on the ordinary business of the country. I must say, I wish the minister had gone a little further than he has done, while I am grateful that he has gone as far as he has in moving in the direction which one day will lead him to be a free trader—because the moment he raises all this taxation by direct means, clearly he will have no customs tariff. One of the results of that will be that he will find his people and the country generally getting so much more wealthy that the raising of taxation by direct means will come with an ease that at present he does not suspect, or at least, if he suspects it, he does not give any sign of acting on it.

Sir HERBERT AMES: The House is shortly to be called upon to consider an amendment which proposes to increase the amount of tax that shall be levied under this Income Tax Bill on those of larger incomes. I want to put in a plea for that organization with which I have been connected for the last three years. I would ask the members of the House seriously to consider how an increase in the tax upon higher incomes will affect those who have entered upon serious obligations of their own accord. If it were proposed that the income tax rate on higher incomes should be made greater to cover the year 1918, I would raise no objection. I quite concur in what has been said, that those who have the money during these times should be the ones to contribute as much as they possibly can. But I would call the attention of the

House to this. The income tax which will be payable on 1st June next will be based on a statement filed on 28th February, 1918, covering the income of the year 1917. Now, during the year 1917, the people of Canada have taken upon themselves voluntarily very large obligations. Never in the history of the war has there been a year in which the subscriptions to various war charities have been so generous and so universal as in the year 1917. During the year many and many a man has asked himself the question, "How much can I possibly do without in order that I may put my name down for the largest possible amount for one of the war funds?" Many of these men have voluntarily reduced to a very considerable extent that portion of their income which they are free to spend upon themselves, not in any way anticipating that an income tax would be brought in by Parliament this year. Now, I contend that you are going to place upon these men a double burden. They have already of their own accord assumed a heavy load, and you are going to lay upon them a still greater burden.

There are a few people in this country—very few, I am glad to say—who have not given of their means to the Patriotic Fund and other war charities, but have hoarded and held all they had and all they could make. These men are held up again and again to the contempt and scorn of their fellow-citizens, and are receiving only what they deserve in the way of contumely. I do not care how heavily they may be taxed, but I want to testify on behalf of the Canadian people that for one man of that kind, there are twenty who are contributing generously and have been doing so since the war began. In every community where a campaign has been conducted our attention has been drawn to one or two men who will give nothing, but you can at the same time secure a list, if you care to, of a score of men who are denying themselves daily in order that they may give. When the history of this war comes to be written there will be no brighter page in the whole record than that which records the efforts to do something that have been made by those who, for various reasons, could not go to the front, but who endeavoured in their turn to do all they could to back up the men on the firing line. That spirit has been practically universal from one end of the Dominion to the other, not a single province excepted.

It has been my duty since the war began to act as a sort of apostle to the stay-at-homes. I was six years beyond the military age, and physically unfit to enlist, and as I could not go to the front I gave my whole time to another work which was the best I could get under the circumstances. During the past three years I have travelled up and down this country again and again from Halifax to Vancouver, and have spoken in every city and town of considerable size in the whole Dominion, and I want to say that universally the people of Canada have been ready and willing to make sacrifices. Again and again we have asked communities to give us not only all they needed for themselves, but something over which might be spent in more hard-pressed districts, and with the exception of five towns in Ontario—Sarnia, Preston, Orillia, Fort William and Kenora—every area that I know of in the province of Ontario has given not only what it needed for itself, but an additional sum to be spent out in Alberta and Saskatchewan, in the far West and along the Pacific coast. If any one had told me at the beginning of the war that the Patriotic Fund would be able to raise between $5,000,000 and $6,000,000, I would have confessed that I did not believe a larger sum was possible, yet a fair computation to-day will show that there has been raised for the various war charities in Canada since the war began between $50,000,000 and $60,000,000 in money and food supplies, not one dollar of which would have been raised had not the hearts of our people been right. Our generosity has been an astonishment to ourselves; it has been a stimulus to our neighbours to the south of us, and has been the subject of congratulation from other parts of the Empire. I think that this year alone no less a sum than $20,000,000 has been pledged and will be paid by the people of Canada out of their revenues to the various war funds which are well known to us all.

Last fall we reached the apex of our demands. The Manitoba Patriotic Fund, although independent of ours, works on exactly the same lines and is in constant touch with us, so that when I give figures regarding the Patriotic Fund I give figures for Manitoba also. Last fall we realized that we had about 65,000 families to look after, scattered throughout the Dominion. The fundamental principle of the Patriotic Fund has always been that every community should raise what it could, and put that sum into a common purse, to be dispensed in each district according to need.

Some of the wealthy districts of the East that sent comparatively few men were able to send a considerable surplus of money to districts in the West that had sent nearly every available man of military age, and in that way the burden has been distributed. We realized, however, that we should have to meet during the year 1917 a monthly expenditure of approximately $1,000,000. We could not think for a moment of allowing our soldiers' dependents to be in need this year, and so we carefully prepared our campaign. We alloted to each province, and to every part of each province, what we considered to be its fair share, and there is not a province in the whole Dominion but has given the full amount asked for. The result has been that we have already received in cash $8,500,000 in the first six months of this year.

We have another eight and a half million dollars due and payable during the remainder of this year, and considerable sums payable in January and February.

My contention is that people having voluntarily assumed large burdens for the year 1917, called upon as they will be to pay this income tax in addition at the rates already specified, they should not, at least in the first instance, be overburdened with an excessive amount. It is not fair to imagine that a man's whole income for 1917 remains with him, apart from the amount which may be taken out of him by this income tax. The first year of the war, 1915, we took in about $6,000,000, 85 per cent of which came from voluntary subscriptions. On analyzing it we found that the rural districts were not giving as freely as the cities. We found the reason to be that it was very much more difficult to organize campaigns in the rural sections than in the cities, not that there was any less willingness to give in the rural communities. We had recourse to the county councils, and wherever a county council was willing to make a unanimous appropriation and levy its contribution as a tax, we regarded it as a voluntary gift. We received a large amount in this way. Of the $15,000,000 or $16,000,000 we expect to receive during the present year, 63 per cent is voluntary, 16 per cent comes from provincial grants, 15 per cent from county council grants, and 6 per cent from various municipalities, that is, the grants of city councils and so on Last winter, when we made these campaigns, we told all those who subscribed that we wanted them to pay upon a monthly basis. We told them if peace was declared they would not have to pay any further subscriptions after the date of peace negotiations, for it was our endeavour to keep on hand a sufficient surplus to take care of the returned men for a time after peace was actually declared. So, we have a large number of these continuing subscriptions coming in to us in very considerable amounts from month to month. Our revenue is almost uniform. Every month is practically the same as the preceding month. It is very popular, indeed, to talk about the sacrifices of the poor man, and let me pay a tribute to the working people of the Dominion of Canada, who, from one end of the country to the other, are giving us their day's pay, sometimes a day's pay a year, sometimes a day's pay each quarter, and sometimes a day every month. Hundreds of thousands of dollars have been paid in to us, taken each month out of the pay envelopes of the working men of Canada. The working men of Canada, however, are not the only ones who are making sacrifices. The rich men of the country are also making sacrifices. More than once I have heard men say " I do not want to have one dollar more when this war is over than I had when it began, and every dollar I have in the way of surplus, I give it to some patriotic fund." I know of other men who have cut down their living to as economical a basis as they can, in order that they may give large subscriptions, and any campaign committee in any city will tell you they are absolutely surprised at the sums men supposed to have only normal incomes are willing to deprive themselves of in order to give to those funds. Many men are giving a very large percentage of their incomes at the present time, in the full expectation that that would constitute their main war contribution for 1917. When you say that a man with an income of $10,000, for instance, has practically all of his income left, do not forget that he may have already promised to give out of that income for patriotic purposes a very much larger sum than the tax gatherer proposes to collect from him. Not everybody in Canada is a profiteer. Not every wealthy man is rolling in wealth because of this war. There are a great many industries in this country that are not making money and there are a great many men reputed as wealthy who were never so poor in their lives as during this war, yet these men are giving generously and saying nothing about it. The percent-

age of those who make extreme profits is small, taking Canada as a whole. I would be the last to defend these people in the smallest degree. Where abnormal profits are being made from munitions, or from any other source, I would vote to take a very large share of those profits. At the same time, we should not consider that every man reputed to be fairly comfortably off has become a millionaire from day to day during this war.

This income tax is new. It is more or less experimental. It seems to me, in view of the fact that it was unexpected, it should not be made excessive. We should consider the obligations people have already voluntarily assumed for 1917. In all probability, it will be necessary to re-impose this tax, because the war will not end in a few months. Either the present Finance Minister, or some other Finance Minister, will within twelve months have to deal with the tax again, and probably will increase the rate on the higher incomes. People will not complain if that be done for the year 1918, because they see it coming, and can make their arrangements accordingly. If I am fortunate enough to be here in 1918, and it is then proposed to place a larger tax on the higher incomes, I, for one, shall raise no objection. I wish, however, to say to the Finance Minister that if the tax is increased he must expect that the Patriotic Fund will not receive as much as it has received up to the present, and it may be necessary for him to add $10,000,000 to his income tax in order that that sum may be given to the Patriotic Fund. I do not believe that after a heavy income tax is introduced, we shall be able to get from voluntary giving anything like the sums we are to-day receiving. We shall probably continue the organization, and we shall probably endeavour to utilize those sources of revenue which the income tax will not affect, but since our revenues come largely from givers in the cities, I do not think those other sources will be sufficient for our needs. We had voluntary campaigns not long ago in connection for the needs of the current year. Montreal gave us $3,000,000; Toronto, outside of York county, gave us $2,500,000; Hamilton, $650,000; Ottawa, $400,000; London, $300,000; Brockville, $150,000; St. Catharines, $100,000; Halifax, $200,000; Vancouver, $400,000; Victoria, $200,000; Edmonton, $150,000; Calgary, $175,000; Quebec, $250,000. The greater part of this money is voluntarily subscribed and is being paid monthly, and will not all be paid up for another eight or nine months.

[Sir Herbert Ames.]

Speaking again of the men of wealth, I feel we should put on record some of the noble gifts they have made since the war began . We well remember the gift of $500,000 made by Mr. J. K. L. Ross. I heard indirectly that Mr. James Carruthers, of Montreal, had given to various war funds about $200,000 since the outbreak of hostilities. Mr. A. Hamilton Gault gave $100,000 for the P.P.C.L.I. Here are several men whose gifts, I know have gone into six figures since the war began: Sir Edmund Osler, Sir Edward Kemp, Sir Herbert Holt, Mr. Huntley Drummond, the Birks' of Montreal and the Ross', of Quebec. These men men have all given in the most generous possible manner. I have a list here of our subscribers in Montreal and I see that 240 men have given $508,000. I could put the names on Hansard if it was desired but I see that it is just six o'clock. I have a list here of thirty-one men in Toronto who gave $143,500. In London thirty-three men gave $135,000. Hamilton also has been very generous. I trust that, whatever the future may bring for the patriotic fund, the present relief organization may be continued. We are administering a million dollars a month at no cost whatever to the subscribers inasmuch as the interest on our bank balance pays all the cost of administration from the Atlantic to the Pacific. We have been able to secure this year $15,000,000 at a cost of less than one-third of one per cent for the raising of it. We have a voluntary staff in every part of Canada, composed of people who are taking up this work for the love of the cause and who are endeavouring in that way to do their bit. I trust that whatever this or any government may do it will not break up the existing relief machinery which is running so smoothly. My plea to this House in connection with the income tax is that it should remember the voluntary obligations which have been assumed by the people of Canada for the year 1917 and that, if it is planning to make the tax fall more heavily upon the larger givers, this may be postponed for another year.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Hon. FRANK OLIVER (Edmonton): I wish to make a few remarks, and as the hon. member for West Middlesex (Mr. Ross), who had the floor at six o'clock is not present, I may as well proceed.

I agree with a great deal of what has been said commending the action of the hon. Minister of Finance in bringing down a measure providing for an income tax. I think the principle of the measure is desirable from many points of view. It is direct taxation, and, therefore, it is definite. Those who pay know how much they are paying, and the money is paid into the treasury. It is not the same as a tariff imposition, under which for every dollar paid into the treasury two or more dollars are paid into the pockets of those who have the benefits of the tariff provision. To that extent I desire, therefore, to add my support, to that which the Finance Minister has already received.. But, when I agree with the principle and the desirability of establishing a principle, I am also compelled to follow the criticism that has been made by other members on this side, in recognizing that the upward graduation of the tax as the hon. minister proposes it does not appear to me to be adequate, considering the circumstances in which we are placed to-day. In these special circumstances, when extraordinary expenditures are being made, when debt is being piled up as it is to-day, it appears to me that there should be a heavier levy on the larger incomes than is imposed by the measure now before the House. To that extent I would agree with those who have taken exception to the measure. I am also compelled to agree with the remarks made by the hon. member for West Lambton (Mr. Pardee), that it is unfortunate and undesirable that it should be held out to the country that in consideration of the imposition of the income tax, there is contemplated, or may be contemplated a remission of the excess profits tax. It is true the excess profits tax has been criticised from varying points of view, It has been said, of course, that no taxation is pleasing, and that it is an easy matter to find fault with any form of taxation, and no doubt the excess profits tax imposed by the Minister of Finance a couple of years ago has points and features that press unequally or unfairly, and is capable of great improvement. At the same time, I am sure the Finance Minister must recognize that, from this side, speaking generally, he received support for the principle of the excess profits tax. There was disagreement as to details, but I do not think there was any disagreement as to the principle that there should be such a tax. Some people objected that it was excessive, but I am compelled to take the view that it was below the mark rather than in excess, considering the circumstances in which we are placed. It was imposed especially as a war measure, as I understood the matter. It proposed to deal with a condition which existed, in which excessive profits were reaped because of the existence of war. It is only natural, right and proper, that when such excessive profits are being reaped by reason of the existence of war, and when it is obvious that these excessive profits must cease when the war ceases, there should be excessive or extreme taxation upon these profits in order to balance the situation; that is to say, a heavy tax on excess profits, and especially on war profits, is a proper measure of taxation at this time. And if it is contemplated, as it appears to be, that the excess profits tax shall cease, to be replaced by the present income tax, I consider that to be exceedingly objectionable legislation. I consider that the principle involved in the remission of the excess profits tax is a bad principle, and that that remission is not balanced by the imposition of the income tax. It has been said here to-day that the advantage of the income tax, or of any direct tax, is that it can be made to bear more heavily upon the wealthy than upon the people of ordinary means, whereas a tariff tax must bear more heavily upon the man of lesser than upon the man of greater means. For that reason, looked at from a proper economic standpoint, the income tax is essentially a desirable form of taxation. But when we find that the special taxation taken from war profits and levied because of war conditions is to be abrogated, and in the place of that is established an income tax, which, being lightly graduated upward, rests more heavily, in proportion, upon the men of lesser income than upon the men of greater income, I can only take the view that the minister, while adopting a sound principle, has not given that principle the effect that should be given to it.

We must have money to carry on the business of the country. If that money does not come from one source, it must come from another. If it does not come from the excess profits of those who are fortunate under war conditions, if it does not come from the man with large income, then it must come from the man with a small income, either through the income tax or through the exactions of the tariff. This is a time and an occasion in the history of this country during which, while there has been a vast outpouring of money

into the lap of Canada, those who are dependent upon their labour, whether of hand or of brain—that is to say, whether the artisan who works for wages or the office man who works for what he is pleased to call salary—are, by the cost of living, subjected to a heavier burden than they have ever before been called upon to bear. That is to say, owing to the advance in the cost of the necessaries of life the man who receives a fixed salary or a fixed wage is closer up to the limit than he ever was before. That being the case, this is not the time to increase either directly or indirectly the burdens upon that section of the community. Whatever increased burden of taxation is imposed should be levied upon those who are able to bear it; upon the man who is reaping excessive profits out of war conditions or the man who by reason of good fortune is in the enjoyment of the larger income and therefore can spare a greater proportion of that income to assist in the upkeep of the country during these strenuous times. The man of smaller salary necessarily has to spend that salary in order to live; the burden of taxation upon that man is greater in proportion, although much less in amount, than that which rests upon the man of the larger salary. A single man in receipt of say $1,500 or $2,000 or a man with family in receipt of $3,000 a year has but a small margin between the cost of living and the amount of his salary; that is, according to the ordinary standard of living. I do not wish to be understood as saying that the single man receiving $1,500 or married man receiving $3,000 a year should not pay income tax; I quite agree that he should pay income tax; but, as compared with the amount paid by the man who has an income of say $10,000, the amount of the tax imposed upon him is necessarily out of proportion to the difference between his salary and his expenses. The man with the $10,000 income can cut down his expenses without unreasonably reducing his standard of living, but the man with the $2,000 salary cannot cut down his living expenses without seriously affecting his standard of living. There is room for the taking of the larger proportion from those whose incomes are greatest.

In following out the schedule submitted by the Finance Minister it cannot be argued that the proportion taken from a man of large means bears the same relation to the difference between his cost of living and his revenue as in the case of the man with the smaller income. That, I think, should be remedied; it is a condition that militates seriously against the merit of the proposals of the Finance Minister. I want to make this suggestion. It is borne in upon the people that the cost of living has tremendously increased in recent years. It has increased by one-half in four years, while salaries and wages have not increased in anything like that proportion. While I make the plea that the heavier burden be laid upon the man of larger means, I also make the plea that the tariff should be reduced so that the burden would be lightened upon the man of lesser means. The man almost the whole of whose income must be spent in maintaining himself and his family should have some measure of relief by a decrease in the customs tariff on the necessaries of life. An increase of revenue should be taken from those who can afford to pay it and the burden of the high cost of living should be lifted in some measure from those who are less able to pay. This country is going up against the wall, so to speak. The cost of living is increasing. Taxation is necessarily increasing, and the means of meeting that high cost of living and that increase of taxation are not being provided, notwithstanding the enormous outpouring of wealth into the lap of Canada as a result of the war. I would urge, therefore, that the income tax measure should not displace the war profits tax; that the war profits tax should be increased; that the income tax should be graduated more steeply in its higher figures, and that the tariff should be reduced with a view to reducing the cost of living to those whose outlay is necessarily within such a close margin of their income.

I was attracted by the plea made by the member for St. Antoine (Sir Herbert Ames) for consideration, in the imposition of the income tax, of those men of wealth who have contributed liberally to the Patriotic Fund. There is, I think, some merit in the hon. member's contention. The purpose of the Patriotic Fund is essentially a national purpose. It makes provision that is an absolute necessity to the credit of the country and to the maintenance of Canada's position in regard to the war. I have never looked upon the Canadian Patriotic Fund as something that should be a matter of private enterprise. I have always looked upon it as something that should be borne by the nation and that should be dealt with by the nation. I was never able to understand why there should be paid out of the Dominion treasury to the dependents of the

soldier overseas a separation allowance that is admittedly less than is requisite to provide those dependents with a decent livelihood. Whatever amount is reasonably necessary to maintain the dependents of the soldier overseas should be provided out of the Dominion treasury, and anything less than that is not doing justice to the soldier and is not creditable to the country. There is plenty of work for an organization such as the Canadian Patriotic Fund in taking care of special instances of difficulty or hardship that necessarily result because of men leaving their families and going to serve their country. I have heard the hon. member for St. Antoine (Sir Herbert Ames) argue that it is not possible for a Government to take care of the many exceptional cases that must necessarily arise, and that, therefore, there is a reason for the existence and administration of the Canadian Patriotic Fund. I quite agree with that. That, however, is not the point. The point is that the Canadian Patriotic Fund, under certain circumstances, pays to the dependents of the soldier a fixed amount, and my contention is that that fixed amount should be paid out of the Dominion treasury.

Sir HERBERT AMES: It is not a fixed amount; it is a variable amount, and that is the crux of the whole situation. The Government cannot discriminate, but the Canadian Patriotic Fund can. The Government can consider the dependents only as appanages of the men and the Government has to give the families through the men the same sum, whether they need it or not, no matter what the cost of living or the size of the family may be. The Canadian Patriotic Fund approaches the matter from an entirely different angle. It looks into the case of each family separately. It does not take the soldier into consideration at all. It simply says: How much is needed, in addition to the existing income of the family to bring that income up to the scale of decent subsistence for that family, and the sum differs in every province. I would be glad to-night, or at any other time, to hand to the hon. member the monthly statements for April, May and June, and he will see from them that, in no two places in the Dominion of Canada, is exactly the same amount given to families differently circumstanced. There are no two places in Canada where there are identical conditions. In Prince Edward Island we give to the average family $10.24 per month; in Nova Scotia, $11.83; in New Brunswick, $13.87; in Newfoundland, $13.14; in Ontario, $15.03; in Quebec, $16.17; in Saskatchewan, $22.58. We give twice as much in Saskatchewan as we do in Prince Edward Island because the cost of living in Saskatchewan is considerably higher than it is in Prince Edward Island. We give to the average family in Southern Alberta $19.10 per month, and in Northern Alberta, $19.58; in greater Vancouver, $20.25; in Victoria city, $21.54; and in British Columbia generally, $20.79 per month.

The point I am taking is this, that the Government cannot discriminate—if the Speaker will allow me to finish this matter with the hon. member for Edmonton—between families. It will have to give the soldiers' family in Prince Edward Island the same amount that it gives the soldier's family in Alberta, and if it were to do that, it would be giving to families in Prince Edward Island a great deal more than they required. The only way in which the Government could satisfy every one by an indiscriminate method would be to give the maximum rate throughout Canada, and in that case it would be giving a great deal more than would be needed by the families in some of the provinces. We have estimated that we do for about $12,000,000 what the Government could not do for less than $20,000,000, because in each case we discriminate according to locality and according to the needs of each individual family; and if, in doing that, we can save $8,000,000 a year, and, at the same time, bring the families up to a decent state of subsistence, it is surely better that we should do that work than that the Government should do it.

Mr. OLIVER: I cannot altogether agree with the position taken by my hon. friend. My point is that if it takes $30 a month to provide decent subsistence for the dependents of a soldier in Prince Edward Island, the Government should pay that $30, and if it takes $40 to provide decent subsistence for the dependents of a soldier in Alberta, the Government should pay that $40. There is no reason why the Government should not discriminate between province and province in the payment of separation allowances for soldiers, any more than there is reason why it should not discriminate in the payment of salaries of its officials; and, as a matter of fact, it does discriminate in regard to the salaries of its officials. There are certain allowances paid in western Canada that are not paid in eastern Canada in the public service of the coun-

try, and there is no reason why there should not be a similar discrimination between province and province in the payment of separation allowances. As to discrimination between families, once you bring the payment from the public treasury up to what is admittedly required for the decent subsistence of the family, then the work of the Patriotic Fund comes in, and if there are special cases, then there is room and opportunity for those people who are desirous of showing their benevolence and who take an interest in the welfare of our soldiers and their dependents to exercise that benevolence, care and supervision about which my hon. friend speaks, and which I do not wish for one moment to belittle in any way. When it is recognized that a certain fixed amount is necessary as reasonable subsistence to the dependents of the soldier, that sum should be paid out of the Dominion treasury. It is the country that the soldier is serving, not his neighbours particularly, nor those who are of patriotic or benevolent mind, and the country should pay whatever is right and proper for the maintenance of his dependents. If the present rate of taxation is not sufficient for that purpose, then the rate of taxation should be increased until it is sufficient. Perhaps this is not an appropriate time to discuss the merits of the Patriotic Fund, but my hon. friend (Sir Herbert Ames) favoured the House with his views in regard to the matter, and I have taken the liberty of following him to this extent.

I said, in the beginning of my remarks, that I was quite willing to agree that those men of wealth, who had contributed liberally and who were still contributing liberally to the Patriotic Fund, should have their contributions recognized as part of their income tax—but only if the whole of the money required for the maintenance of the dependents of the soldiers is taken from the Dominion treasury, as, in my judgment, it should be taken.

I do not desire to withhold in any way the credit that is due to the men of wealth who have contributed of their means to the maintenance of the dependents of soldiers, and I certainly would not wish to see them taxed double, but I would like to see those men of wealth who have not contributed as they should have done made to contribute either through a war profits tax or an income tax or in some other way, so that they may pay their share of the obligation that rests upon them as citizens. I do not want to detract in any way from the work my hon. friend has done or from the good-will of those who have made the contributions, but I say that the system of making the dependents of our soldiers subject to the control and direction and at the mercy of an organization that stands where the country should stand, tends to lower the standing of our soldiers and their dependents, tends to depress the patriotic enthusiasm that caused those men to volunteer and, in its moral effect, is an injury, and I am compelled to say an injustice to the men and their dependents. I hope that what I am saying will not be considered as any reflection upon the good intent of everybody concerned, but I say that you cannot make men and women and children subject to that which of necessity has the appearance of charity, without lessening their self-respect, and when you do that you take away what is best in them and do them irreparable harm when you are really trying to do them good.

My suggestion is that the contributions of the rich to the Patriotic Fund should be recognized in the income tax, but that the burden now carried by the Patriotic Fund should be carried direct by the Dominion treasury, and if it is necessary the income tax and the war profits tax should be increased in order that that money may be paid out of the treasury.

Mr. SPEAKER: With respect to the amendment moved this afternoon by the hon. member for West Lambton (Mr. Pardee), section 54 of the British North America Act, the rules, and the invariable practice of this House, prescribe that any motion which is designed to levy a tax can only be introduced by a minister on the previous recommendation of the Crown. The amendment of the hon. member for West Lambton, if it has any object at all, is designed to levy an increased charge upon the people, and is therefore, for the reasons I have indicated, clearly out of order.

Mr. PARDEE: I just wish to refer you, Sir, to page 431 of Bourinot which says:

> All the authorities go to show that, when the Government have formally submitted to the House the question for the revision of customs and excise duties, it is competent for a member "to propose in committee to substitute another tax of equivalent amount for that proposed by ministers, the necessity of new taxation to a given extent being declared on behalf of the Crown."
>
> It is also competent for any member to propose another scheme of taxation for the same purpose, as a substitute for the Government plan.

Mr. MIDDLEBRO: Read the next sentence.

Mr. PARDEE (Reading):

But it is not regular to propose a new and distinct tax, which is not a mere increase or diminution of a duty upon an article already recommended by Government for taxation, though it is the function of this committee to impose rather than to repeal taxes.

I submit that my amendment proposes to the Government the same scheme of taxation they have themselves proposed, but in a larger form. I would also point out that the amendment simply asks that this scheme of taxation be submitted with the Government's approval. It asks nothing further than that. I submit that I am doing exactly what Bourinot says it is competent for any member to do, namely, "to propose another scheme of taxation for the same purpose, as a substitute for the Government plan." Bourinot gives his authorities in a foot note on the same page. I am simply proposing the same scheme of taxation in a larger form, and I am asking that it be done with the consent of the Government, and that the Bill be referred back to the committee. With all deference to you, Sir, I therefore submit that the amendment is in order, because Bourinot expressly states that while it is not regular for a member to propose an entirely different scheme of taxation, it is competent for him to propose another scheme of taxation for the same purpose, although it is in a larger measure.

Mr. SPEAKER: I had occasion to refer to the paragraph in Bourinot from which the hon. member has quoted, and clearly he puts himself out of court at once in admitting that while his scheme of taxation is in the same form as the Government's, it involves an increase. As an increase is involved, he is precluded under our rules and practice from moving his amendment except upon the recommendation of the Crown through a minister. I might say that our practice is identical with that followed in the Imperial House. May puts it more clearly still at page 462 (12th Edition):

The principle that the sanction of the Crown must be given to every grant of money drawn from the public revenue, applies equally to the taxation levied to provide that revenue. No motion can therefore be made to impose a tax, save by a minister of the Crown, unless such tax be in substitution, by way of equivalent, for taxation at that moment submitted to the consideration of Parliament; nor can the amount of a tax proposed on behalf of the Crown be augmented—

I draw attention to the word "augmented." He goes on:

In like manner, no increase can be considered—

If the hon. member's amendment means anything, it is clearly designed to effect an increase.

In like manner, no increase can be considered either of an existing, or of a new or temporary tax for the service of the year, except on the initiative of a minister, acting on behalf of the Crown.

I have no doubt at all that the amendment of the hon. member for West Lambton is out of order, and I so rule.

Mr. PARDEE: May I ask you, Sir, to rule upon the point that I am asking the Bill to be referred back with the approval of the Government?

Mr. SPEAKER: I may say to the hon. member that after consulting the authorities I have not been able to ascertain that in any instance the consent of the Government has been given to a motion of this character being made by a private member, and except it should be so it would not be in order.

Mr. PARDEE: I must, of course, bow to your ruling, Mr. Speaker. At the same time I believe that the clause within the resolution which only refers it to the House, or to the committee, with the approval of the Government—

Sir ROBERT BORDEN: The Government would first have to obtain the approval of the Crown.

Mr. MURPHY: The hon. member for St. Antoine (Sir Herbert Ames), in discussing the measure before the House, pointed out what he apprehended as a menace to the future success of the Patriotic Fund, which has been under his charge since its inception, and which he has undoubtedly administered to the general satisfaction of the Canadian public. My hon. friend from Edmonton (Mr. Oliver) has dealt with the observations of the member for St. Antoine, and has taken the position that the benevolence administered through the medium of the Patriotic Fund is an obligation which the Government should assume and administer. With that view I concur. I also desire to point out to the House that a couple of years ago, when speaking in the debate upon the Address, I took the position that all these funds should be in the charge of the Government, that all moneys to be paid out on account of the war should be

raised and distributed by the Government, and that no part of the work should be left to private initiative, private benevolence or private administration. My hon. friend from St. Antoine has supported his view of the matter—a view to which his experience, I admit, gives great weight—by stating that if the fund were administered by the Government instead of as it is now administered, there would be an increased burden of $8,000,000 upon the country.

Sir HERBERT AMES: We have uncollected balances, arising from pledges which have been made, which we expect will yield us from $8,500,000 to $10,000,000 in the course of the next nine months. Until those pledges are paid, it seems to me it would be double taxation to assess unduly the persons who are paying those large sums of money.

Mr. MURPHY: That is not exactly the point to which I allude. I understood if the work were taken over by the Government, it would cost the country many millions more than it is now costing—some $8,000,000 I think my hon. friend said.

Sir HERBERT AMES: Yes, in this way. In the first place this fund is administered without any expense whatever, inasmuch as the interest pays the administration expenses; in the second place, by being able to discriminate between families, and only give a family the supplementary assistance necessary to bring it up to the scale of decent subsistence in the particular locality, we are able to vary the sums we give to families in different provinces, whereas my contention is the Government would have to treat every family from one end of Canada to the other in exactly the same way, just as a soldier's pay has to be the same whether he comes from Prince Edward Island or from the Yukon. If the Government took it over, the supplementary grant would have to be sufficient to meet the highest requirements of the most expensive province, and if that were done we estimate it would cost the Government about $21,000,000 to do what we are doing for about $12,000,000.

Mr. SPEAKER: I hope the hon. member for Russell (Mr. Murphy) will not enlarge upon the discussion on the Patriotic Fund. It had a bearing, inasmuch as the hon. member for St. Antoine referred to it as one of the reasons why the amendment of the hon. member for West Lambton (Mr. Pardee) should not be adopted on the ground that it would take a larger share from the larger incomes. It has not the same bearing upon the discussion of the third reading of the Bill. While I do not wish to restrict the hon. member unduly, I hope he will make his remarks upon the Patriotic Fund as brief as possible.

Mr. MURPHY: I promise I will not infringe upon the time of the House at any length with reference to this matter. I may, however, be permitted to conclude my observations on the point by saying that I do not admit the last position taken by my hon. friend (Sir Herbert Ames), and it is rather surprising to me that he should offer such a candid criticism of the administration of affairs by the Government. I would commend the methods of my hon. friend to the Government, particularly the one by which he says the cost of administration is defrayed by the interest he is able to secure upon the principal fund collected.

Now, just a word or two with reference to this Bill. I do not question your ruling, Mr. Speaker, with regard to the amendment offered by the member for West Lambton. I regret it was not within the rules of the House, and that the object sought by my hon. friend could not have been attained in that way, but still the same end may be attained if the Minister of Finance will forget his difficulties with the Canadan Northern Railway Bill and be receptive to the advice which has been tendered him in connection with this measure. He can surely do this of his own motion. The amendment of my hon. friend from West Lambton merely asked the committee to apply in practical operation two principles—first, that taxes should be levied upon those best able to pay them; and, second, that in the case of this particular Bill, a greater burden should be laid upon those in receipt of large incomes. Leaving aside my hon. friend's amendment, I may point out that the Bill itself brings up the whole question of the taxation methods adopted by the Government, and the result to be obtained therefrom, and necessarily causes us to take public opinion into consideration with regard to the Government's methods of taxation and with respect to the results which have accrued from the application of those methods. I desire to place before the House two views upon this aspect of the matter. One of these views I wish to present from a Canadian standpoint, and the other from the standpoint of a recognized authority in the United States. If the Minister of Finance

will not hearken to the advice that is tendered to him in all friendliness from this side of the House, it occurred to me that possibly he might give ear to the advice that may be obtained for him from the pages of a Government publication. I hold in my hand a small pamphlet on the title page of which I read:

For Free Distribution.

National Organization for War, by Stephen Leacock. Reprinted for the National Service Board of Canada.

On the back of the cover there are various mottoes encouraging national thrift, national saving, and national investment. I might explain that this pamphlet contains an article written by Mr. Stephen Leacock. The National Service Board of Canada, a creation of the present Government, and presided over by my hon. friend from Calgary (Mr. R. B. Bennett), thought so much of the advice given in this article of Mr. Leacock's that they had it reprinted and distributed as a government pamphlet. That being so, and in case my hon. friend the Minister of Finance may not be familiar with the contents of this pamphlet, I desire to quote from it briefly so that he may know what practically another branch of the Government, of which he is a member, thinks of the method and the measure of his taxation. After an introduction dealing with the war and the position of affairs in this country under war, this pamphlet says—page 3:

To and fro we go about our business. We pay our easy taxes, and subscribe to our so-called patriotic loan, so issued that the hungriest money-lender in New York is glad to clamor for a share of it.

Then this National Service Board pamphlet lays down a certain principle in regard to the war tax, and in the course of what it has to say on this point, I find the following dictum:

The so-called War Tax is but a small part of a man's earnings.

After discussing that principle at some length, the pamphlet proceeds:

War brings with it the peculiar phenomenon of war prosperity.

Then the author, who is so highly thought of by the National Service Board as to have his pamphlet officially adopted for circulation in Canada, applies this dictum to the Dominion of Canada, and having made the application, he proceeds thus:

In and through it all moves smug hpyocrisy, suggesting the little words and phrases that are to salve the soul; teaching the manufacturer to call himself a patriot as he pockets his private gains, and to shout for trade, more trade, that he may cram his pockets the fuller; teaching the farmer that his own fat, easy industry is war itself, and that he may count his fatted cattle in the light of his stable lantern and go to bed a patriot; teaching all the drones and parasites, the lawyers, the professors, the chefs and the piano-players, the actors and the buffoons that in going on with their business they are aiding in the conduct of the war.

I think, Mr. Speaker, you will admit that that is a very candid criticism of one branch of the government of the day by another branch. If I were to adopt it as expressing my own views, I would say that it leaves nothing for me to add to the criticism on that point. It follows that criticism by presenting, through the National Service Board, to the Government, what should be the real war policy. It goes on to say:

Every cent of the money that can be gathered up by national thrift should be absorbed by national taxes and national loans. Our present taxes are, for war time, ridiculously low, as far as all people of comfortable, or even of decent, means are concerned. And they are made with one eye on the supposed benefit to industry.

The author of this pamphlet goes further and suggests a policy in regard to loans:

Over above the taxes we need a succession of Government patriotic loans, not money-lenders' loans at market and supermarket rates, but patriotic loans in the real sense, at a low rate of interest, let us say four per cent, and issued in bonds of twenty-five dollars, with a dollar a year as interest.

But, in addition to this advice which is tendered by one branch of the Government to the other, the author further enjoins the absolute necessity of practising economy, and that is done in this way:

But first let the Government—of the dominions, the provinces, the cities and the towns—itself begin the campaign of thrift. At present vast sums of money are being wasted in so-called public works, railways in the wilderness, cement sidewalks in the streets, post offices in the towns—millions and millions that drain away our economic strength. In times of peace these are excellent. For war, unless they have a war purpose, the things are worse than useless. The work of the men who labour at them is of no value, and the food and clothes that they consume must be made by other men.

I do not think, if I took up the time of the House for the rest of this sitting, I could add anything to the excellent advice given to the Government, and particularly to the Minister of Finance, by the National Service Board of Canada through this pamphlet circulated by the National Service Board, of which my hon. friend from Cal-

gary (Mr. R. B. Bennett) is the distinguished chairman. That is a home view, a view at close hand, of the method and measure of the taxation for which the Minister of Finance has stood sponsor.

It may be of interest to the House, and will I am sure be of interest to the Minister of Finance, to hear very briefly the view which is entertained in the adjoining republic of his taxation measures, and particularly of the one which is now before this House. In the Montreal Gazette of Monday last I noticed an article dealing with a pamphlet which has been issued by Mr. Otto H. Kahn of Kahn, Loeb and Company on the subject of the war tax. In the course of that pamphlet the writer lays down this principle:

> The cost of the war must be laid according to the capacity to bear it.

Mr. Kahn goes on to discuss the measure which is now before this House, and in the course of his analysis of it, he has this to say:

> Within the last few days it has been announced that the Canadian Government has introduced a Bill for the imposition of an income tax. The rates proposed are moderate for a war tax, the highest percentage of taxation being considerably less than one-half the rates fixed by our House of Representatives.
>
> Moreover, the Act as introduced by the Government provides that income taxation will be remitted to individuals up to the amount which they are now paying directly or as members of a co-partnership or as shareholders in corporations, for excess war profits, taxes and other special war taxes under the existing law.
>
> In fact, if the newspaper reports are correct, it is the announced intention of the Canadian Government with addition of the income tax, to reduce or abolish the excess profits tax at the end of the present year. Accordingly, while America, under the Bill pending in Congress, would provide an unprecedently high income tax, and excess profits tax, Canada would have but a moderate income tax, and that tax apparently would not be in addition to, but largely or entirely in place of the excess profits tax.
>
> The enrichment of corporations or persons out of profits resulting from a war in which this country is engaged is rightly abhorrent to the public conscience.

I commend that criticism from a recognized financial authority to the consideration of my hon. friend the Minister of Finance. I do so for the reason that there seems to be an impression that the taxation in this country is as high as that in the United States. According to the statement of Mr. Kahn, it only approximates about one-half of the rates provided in the measure now before Congress.

[Mr. Murphy.]

Sir THOMAS WHITE: Our business profits taxation is very much heavier.

Mr. MURPHY: The hon. gentleman says it is very much heavier, but he himself is authority for the statement that that tax is to be discontinued.

Sir THOMAS WHITE: No, I stated two or three times that the profits tax is to be continued, and that it will be dealt with in the next Budget.

Mr. MURPHY: After this year?

Sir THOMAS WHITE: After this year. This tax, by its terms, comes to an end December 31, and I stated this afternoon, as I have stated on several occasions recently, that when this tax was proposed it was thought the war would be at an end by next December.

Mr. MURPHY: The hon. minister says this tax will be continued, and will be dealt with in the next Budget?

Sir THOMAS WHITE: Yes.

Mr. MURPHY: Is there to be another Budget this year?

Sir THOMAS WHITE: No, next year.

Mr. MURPHY: How can the hon. minister give a guarantee as to next year?

Sir THOMAS WHITE: I do not know who can give a better guarantee.

Mr. MURPHY: My hon. friend expects to be here next year?

Sir THOMAS WHITE: Yes.

Mr. MURPHY: All I can say is that my hon. friend is very much alone in that view. However, we have more serious business to transact at the present time. I commend the criticisms that I have submitted to my hon. friend's very careful consideration, and I hope that even before his next Budget to which he alludes he will provide for a more equitable distribution of this Income Tax, and will particularly see that those in receipt of large incomes shall pay a much larger percentage than they are going to pay under the present measure.

Mr. D. C. ROSS (West Middlesex): As the hon. Speaker ruled the amendment out of order, I feel that it is incumbent upon me to say a few words on the third reading of this measure. This Bill introduced by the Finance Minister may be all right as far as it goes; but, coming from the city of Toronto, as he does, I would not expect it to go very far, and my expectation has

been realized. Judging from the views I have heard expressed throughout the country by the man on the street and taking my own personal view, the taxation imposed by this Bill by the Minister of Finance is considered to be a very meagre form of taxation. In this House one question probably has been uppermost in our minds, and that is the question of making the sacrifices of our people, to some extent, a matter of equality, if it is possible to make an equality between sacrifices of men and sacrifices of money. For my own part, and speaking, I think, for every member of this House, I can say that is an impossibility. But there is this to be said: that a sacrifice in money is a greater sacrifice if a man has to habituate himself to a smaller income than if the law leaves to him a larger income. I think this Act as presented is not going to satisfy the people at all in regard to comparative sacrifices between the poor and the rich. I was very much interested in the remarks of the hon. member from St. Antoine (Sir Herbert Ames), for whom I have the highest regard, and who, I believe, has done an immense service to the country in connection with the Patriotic Fund. In principle, I do not believe the Patriotic Fund should be dependent upon voluntary subscription. I do not believe the soldiers and their dependents should have to rely on what looks like charity. They have done too much for this land and for freedom for us to ask them or their families to be dependent on what looks like charity. I believe that is a matter which should have been handled by this Government, and should be paid for by the Canadian people as a part of their taxation. I may say in passing—and I do not want to digress and depart from the rules, but I think it is relevant to the subject—that as far as my country is concerned, it affects the question of taxation generally. My county, Middlesex, part of which I have the honour to represent, has considered that as a cardinal principle, and they have given to the Patriotic Fund $72,000 a year. In addition to that, generous men have contributed in a very liberal manner. The hon. member for St. Antoine (Sir Herbert Ames) said, among other things, that he has heard patriotic rich men say that they did not want any more money when this war was over than they had when it began, or words to that effect. I am the last man in this House to detract from what has been done by the wealthy men of Canada in the way of assistance in this war. I believe their hearts are in it, just as much as are the hearts of the plain people of this country. But I ask you, Sir, if there is any class of men in this country whose hearts should be more in this war than the wealthy men of this land? They have more to be protected than the poor man. They have more at stake, and if any person or class of persons should be willing to make sacrifices in this war, it is the wealthy men of this land. When patriotic rich men have said that they do not want to be any richer when the war is over than when it began, it is a very—shall I put it mildly?—low ideal of patriotic duty. No man, rich or poor, should want to be as well off when the war is over as when it began. If he is stirred by patriotic emotions, if he has the love of Empire at his heart, and the desire to save the Empire and civilization, he should be willing to be much poorer when this war is over than when it began, if this war means anything to him; for, as Lloyd George has said, if Germany wins this war, nothing else matters. The member for St. Antoine says that the wealthy man is willing to give of his wealth; that he does not want to be any richer when this war is over than he was when it began. I have read of wealthy men making similar professions; talk is sometimes very cheap. I have read in the public press—and it has not been denied—that one very wealthy man in this country said "To hell with profits."

Mr. MIDDLEBRO: Order.

Mr. ROSS: That is a quotation; if it is offensive to him, the hon. member for North Grey need not listen to it. It is all very well for wealthy men to make such professions as "to Sheol with profits"—if you like to put it that way. But the man who said that was willing to take $5,000,000 in a year for himself or his company from the poor people of Canada. During this war we want not professions but acts. We should make the wealthy men of this country—in a reasonable, not in a cruel way—pay their share of the burden that is imposed upon us by reason of our participation in this war. Can the sacrifice of the wealthy man who has an income of $100,000—who under the income tax will pay $14,900 and who professes that he is willing to do so—be compared with the sacrifice of the poor widow who, not merely professing that she is willing to sacrifice her three sons on the altar of her country, actually does sacrifice them? There is no comparison at all. The wealthy men of this

country should bear a fair share of the burden of sacrifice made by the Canadian people for the cause of civilization.

The Minister of Finance introduced two measures into this House recently, one of which we discussed to-day. I would characterize the measure now under consideration as the Millionaires' Relief Act. Under this measure the wealthy men will not be asked to make any sacrifices. They are doing nothing to win the war. Whatever they may do from patriotic motives, they are doing nothing under compulsion by this Parliament as a matter of sacrifice. As to the other measure introduced by the Finance Minister, that with relation to the Canadian Northern Railway system, I would characterize it as The Millionaires' Aid Act —because, to my mind, that is all it is.

The Minister of Finance stated some time ago—although, in the vernacular, he is a little bit wobbly on the subject—that the excess war profits tax would cease to be effective on December 31, 1917. I understand that he intimated in the House this afternoon—I was not here when he did so—that he had changed his mind in so far as profiteering in connection with munitions and war supplies was concerned. I am rather surprised; nevertheless, I compliment him on his change of heart. As a member of this House, who has the interests of the people at heart—I mean not particularly the people of Toronto, or of the large cities, but the people as a whole—I say emphatically that the Minister of Finance makes a great mistake. When he brought down his Budget he pointed out what he considered to be the many virtues of the excess profits war tax. He pointed out that in the first year of its operation he was getting $12,500,000, and that he would likely get $15,000,000 when the whole returns were in. He said that in the second year he would get $20,000,000, but that he could not say what he would get in the third year—I do not quarrel with him in that respect, because it would be difficult to calculate the amount that would probably be received. He pointed out what a wonderful law this was; how easily and economically it worked; how everything was simplicity itself in connection with the collection of the tax; how the cost of collection was only one-half of one per cent. Well, the war is still on; the financial necessities of our country are greater than they ever were. The minister deems it necessary to go to the American market to borrow $100,000,000 and to pay thereon almost seven per cent interest. Yet, although men are making millions of dollars in the manufacture of munitions and of war supplies, at the expense of the people, my hon. friend says that he will cut off the excess profits tax, so far as it relates to ordinary business profits, at the end of the year 1917. No such action has been taken in England; I submit that this tax should be continued in Canada for the advantage of the people and in order that we may be able to carry on the war to a successful conclusion. Persons who are now subjected to that tax should be required to pay their share. Some of them are making immense profits out of the war, and in view of the fact that the end of the war is not yet in sight, there is no reason why they should not continue to pay the tax which has been imposed upon them. It was pointed out this afternoon that a gentleman with higher ideals than some others had turned into the treasury $675,000, an amount which he considered to be in excess of what he ought to have made. In the light of all these considerations this tax on excess profits should be continued at least until the end of the war, and Parliament should at this session make statutory provision to that effect.

The Government may think that they are following the wishes of the people in passing this very moderate form of taxation. Before this taxation measure was introduced, we had meetings of public bodies all over the country. We had meetings of the labour people, meetings of all the church courts, meetings of the great agricultural classes in the West.

Mr. LALOR: Hear, hear.

Mr. ROSS: Some of my hon. friends are rather sorry for it, I know; they may yet have reason to be more sorry than ever. What has been the general expression of opinion of all these public meetings? They have said: If the Government is going to enforce a compulsory Military Service Act they should just as sedulously enforce compulsory money service upon the people. They have said that in no uncertain tone.

I ask the Prime Minister if the opinions of those people are not to be considered? Is he going to pay no attention to the well-considered opinions of the labouring men of this country? Is he going to pay no attention to the strong opinions expressed by all the religious bodies? Is he going to pay no attention to the opinions of the great agricultural classes as they were recently expressed in the West? Let us take, for instance, my own church—the Scotch

Presbyterian Church in this country. What was the expression of opinion of that body? They said, without any indefiniteness: If we are going to have compulsory service in regard to man-power, we should have compulsory service in regard to money-power. Does this country consider that the opinion of the General Assembly of the Presbyterian Church in Canada, composed of men, some of whom are probably—and I do not wish to say this rudely—the superiors or the equals of men in this House, should not have some attention paid to it? Those men come from all walks of life, from the professional classes, the working classes, the clergy. Their opinion before the people of this country is just as good, just as potent and has just as much right to consideration as the opinion of any hon. member of this House or of any public body in this country. The Scotch people of this country have in this war given of their sons and of their money without stint, and those people convened in their General Assembly have a right to expect from this Government that their opinions, solemnly expressed, shall receive due consideration.

Under the system of taxation submitted to us in this Bill, every opinion that has been expressed by those bodies, labouring, religious, agricultural, has been entirely disregarded, and we are exacting no sacrifice from the wealthy men of this country. My contention in that regard is stronger when one considers that the Minister of Finance says to this House that, except in regard to the manufacture of munitions, he is going to discontinue the tax which has, for the last two years, been imposed upon this country in regard to excess profits. I know this amendment has been ruled out of order by Your Honour, but I consider it is very unfortunate that, under the rules of the House, you should have that power. I know you have exercised it with absolute impartiality, as you always do. I have no doubt that you may be right in ruling this amendment out of order, but although the Prime Minister has said in reply to my hon. friend from West Lambton (Mr. Pardee), that the consent of the Crown must be obtained for the submission of an amendment calling for an increase of taxation, we know that, as a matter of practice, the recommendation of the Crown means simply the recommendation of the Government, and in this democratic country, we should alter our rules so that any hon. member of this House may be able to submit to the House an amendment for which I believe not only Liberals on this side but Conservatives on the other side would vote if they had the opportunity.

We are passing through strenuous times, and the end is not yet in sight. We are going to need all our money and all our men in order that victory may be ours. The people of Canada, rich or poor, have but one heart in this issue; they intend to win this war. Generally speaking, they are prepared to pay the price, and this Government, if it were really listening to the voice of the people and not to the voice of just a class of the people, would have submitted a measure of taxation that would receive the fuller approval of the people of Canada than the measure upon which we are passing to-night has received.

Sir ROBERT BORDEN: My hon. friend (Mr. Ross) has made a reference to me. Apparently he has not a perfectly clear idea as to the present legislation with regard to the business profits tax Act enacted in 1916. That legislation was enacted in 1916; the tax was payable during that year, in respect of profits made in 1915. It is payable this year in respect of profits made in 1916. It will be payable next year in respect of profits made in 1917.

Mr. ROSS: I am quite clear in regard to that.

Sir ROBERT BORDEN: Well, if my hon. friend was clear with regard to that, he did not seem to express himself very clearly with regard to it, because if that idea is firmly rooted in his mind, I would have expected him to understand that there will be ample opportunity, at the next session, to take any action in respect of the profits that may be made by any company, corporation or individual in this country during the year 1918. We have already provided for taxation of profits made in 1915, 1916 and 1917. That is all dealt with, and the tax in respect of the profits of 1917 will be payable next year.

It will, therefore, be perfectly proper for the Parliament that is to be summoned in the immediate future to make any disposition it may see fit in respect of the profits, if any, that will be earned by any company, corporation, or individual next year.

Mr. ROSS: If my right hon. friend will guarantee to me that he will be Premier of Canada at that time, and that that will be done, I shall be perfectly satisfied.

Mr. HAZEN: The hon. gentleman has no faith in his own party.

Mr. ROSS: I do not mean that.

Sir ROBERT BORDEN: My hon. friend seems to have a great deal of doubt as to what will happen if I am not Premier—

Mr. ROSS: I know what will happen.

Sir ROBERT BORDEN: —and I am very much obliged for his expression of confidence as to what will happen if I am Premier.

He has not been very much clearer in his appreciation of what has been said by my hon. friend and colleague the Minister of Finance. The Minister of Finance has explained over and over again that the Business Profits Tax Act enacted in 1916 contained this section as the final clause of the Act:

The provisions of section 3 of this Act shall not continue in force after the 31st day of December, 1917.

I am not aware that any hon. gentleman opposite has raised any question about that particular provision of the Act of 1916. Did my hon. friend raise any protest about it? He did not. It was in the minds of us all at that time that this war might probably reach a triumphant conclusion before the date mentioned in that section, and so the matter passed in that way, except that the Minister of Finance at the present session thought it necessary, in view of the financial situation which has developed through the unexpected length of the war, to increase largely in respect of the business profits earned this year, the taxation that was imposed by the Act of last year. Whenever the question has come up in this House as to the continuation of the business profits tax, the Minister of Finance has made his position perfectly clear. I happen to have under my hand what he said only this afternoon with regard to it, and it shows that the Minister of Finance has made his position perfectly plain. His statement was as follows:

Mr. Pardee: As I understand this matter, the hon. Minister of Finance has practically said that the income tax is being introduced in lieu of what is known as the business profits war tax.

Sir Thomas White: No, that is not correct.

Mr. Pardee: As I understand the matter, the business war tax is to come to an end, and will not be continued after the end of this year.

Sir Thomas White: The business profits war tax, by its terms, comes to an end on December 31st of this year. When that measure was introduced, it was thought the war would be at an end by that time. I stated expressly the other day that we should tax abnormal business profits resulting from the war, and in the next Budget that I bring down we shall deal with that matter.

[Mr. Ross.]

Mr. Pardee: Can we take it in this way: that the present War Tax Profits Bill expires December 31, 1917?

Sir Thomas White. By its terms.

Mr. Pardee: Will there be a renewal?

Sir Thomas White: I have stated that next year a taxation will be imposed on excess business profits. I stated also the other day that it might be necessary to make some allowance for necessary plant extensions, but I laid down the principle, as strongly as I could, that abnormal business profits due to the war must be abnormally taxed.

The explanation already given, that the tax upon profits during the year 1917 will be exigible during the year 1918 should be entirely satisfactory. So, as my hon. friend from West Middlesex (Mr. Ross) has said that he would be perfectly satisfied if an assurance were given to him, and as I adopt the assurance that has already been given by the Minister of Finance, I am confident that the discussion leaves my hon. friend in a perfectly happy, contented and satisfied frame of mind.

The hon. member for Russell (Mr. Murphy) was good enough to indulge in a little chaff towards my colleague the Minister of Finance, with regard to the probability of his presenting a Budget next year. If I should follow his example in that regard I might say that it is very fortunate for my hon. friend from Russell that he presented his criticism of this measure now, as he may never have another opportunity. He was a little in error as to the authority he quoted. It was not Mr. Kuhn, but Mr. Otto H. Kahn, a very well known financial authority in the United States, and a member of the firm of Kahn, Loeb & Company, who has written several treatises with regard to business and taxation.

Mr. MURPHY: That is the name I quoted.

Sir ROBERT BORDEN: My hon. friend called him "Kuhn."

Mr. ROSS: His pronunciation must be bad.

Sir ROBERT BORDEN: I would call to the attention of the hon. member for Russell and of the hon. member for West Middlesex that when they compare taxation in this country with taxation in the United States they should bear in mind that the business profits tax prevailing in

Canada is very much higher, so I am informed by the Minister of Finance, than any corresponding taxation in the United States at the present time. More than that, I am ssured by the Minister of Finance, who has made a careful study of the systems of taxation prevailing in the various countries in the world during this war, that the business profits tax of 1916, as amended by the Act of 1917, imposes a heavier taxation on profits of that character than is imposed in any other country in the world. So there can be little fault found from the standpoint of my hon. friend or from the standpoint of any one else, with the course which has been pursued by the Minister of Finance in that regard. War-business profits in Canada to-day are paying a heavier tax than similar profits are paying in any other country in the world. So much for that.

With regard to the income tax, it is perfectly true that the income tax as recently introduced in the Congress of the United States is heavier than the income tax proposed here. It was introduced there upon a certain scale, and that scale has been considerably increased. The scale proposed by the Bill which is now under consideration corresponds approximately, I think, with that which was first introduced in the Congress of the United States. But we shall not have exhausted the legislation that may be possible in this country by the passage of this Bill. The Minister of Finance, in introducing this measure, had to take into account more than one consideration. In the first place he had to take this into account; that in so far as this legislation imposes taxation during the year 1917, it is retroactive in respect of more than half of the year. He had also to take into account what has been put forward very clearly and cogently by the hon. member for St. Antoine, namely that a great many persons in this country who are contributing this year as in the past very abundantly and generously from their incomes towards the Canadian Patriotic Fund ought to be considered in that regard. Notwithstanding what has been said by my hon. friend from West Middlesex in depreciation of those people in this country who are blessed with this world's goods, I hold that the vast majority of them are entitled to every commendation for the splendid way in which they have come to the aid of the Canadian Patriotic Fund. Simply because a man may be found here and there who, although blessed with abundant means, has not done his duty as others have, it is neither fair nor just to cast aspersions upon the community as a whole, because the community as a whole has risen splendidly to the need of the hour.

Mr. OLIVER: Would the Prime Minister be good enough to say who in this debate was casting aspersions?

Sir ROBERT BORDEN: The hon. member for West Middlesex (Mr. Ross), as I understood him.

Mr. ROSS: I rise to a question of privilege. I think the Prime Minister has entirely misrepresented my remarks, unintentionally, I believe. I commended those wealthy men as a matter of fact. Many of them have done noble things. What I said was that as a class they should bear their burdens with the poor people of the country, and I still say so.

Sir ROBERT BORDEN: I did not in the least suggest anything to the contrary, but I understood the hon. member for West Middlesex to speak in some such sense as I have mentioned. I am very glad indeed that he did not desire to be understood in that way. On more than one occasion he referred in a somewhat depreciative tone to the people of Toronto, apparently considering, for some reason which I cannot comprehend, that they had failed to do their duty in this regard. I believe the people of Toronto have risen splendidly to the need of the whole country, and have done their full duty in this war in every respect.

The Minister of Finance thought it desirable, for the reasons which have been mentioned, that he should fix the scale of taxation as it is proposed in this Bill. In the first place, he had before him the example of what had been done in the United States. The scale there has since been increased. In the second place, he had before him the fact that this Bill is retroactive for more than one-half of the year 1917. In the third place he had to take into account the fact that those who have contributed so splendidly and generously to the Canadian Patriotic Fund without the expectation that heavy taxation would be imposed upon their incomes, ought to be given for this year the consideration which is rendered by this Bill. All these matters, however, leave it entirely open to the Minister of Finance to take up the question again at the next session and have it dealt with by a Parliament fresh from the

people. There is no doubt that that will be done, so that under the circumstances it seems to me the measure as proposed meets the situation up to the present time. There will be occasion, no doubt, to take it up, for another reason. If we begin taxation upon a heavy scale on incomes in this country, it is hardly within the bounds of probability that the Canadian Patriotic Fund can expect to receive the liberal contributions which have been made to it from private sources in the past, and therefore there may be occasion, on that account, for the Minister of Finance to take the matter up from that point of view, with the intention of making provision for a need which otherwise cannot be met. The hon. member for St. Antoine has, if I remember correctly, spoken of the possible necessity that this may have to be done in another year, and the splendid organization which has been built up by those responsible for the direction and management of the Canadian Patriotic Fund would insure the effective and useful expenditure of any moneys which might be devoted by the Government for that purpose. However, these are all matters which will have to be considered at some later stage. In the meantime, I venture to submit with a great deal of confidence that the measure proposed by the Minister of Finance is one which meets the situation for the present and will lend itself to such amendment as may be found necessary in the future.

Mr. PARDEE: May I ask the Prime Minister a question? As the member for St. Antoine, whom he has quoted, practically said that but a very small proportion of the Patriotic Fund came from the rich man, and the contributions came largely from the poor man, might it not be that this measure of taxation was still taking from the poor man more than he ought to pay, at the same time leaving the rich man practically immune?

Sir ROBERT BORDEN: I did not hear the hon. member for St. Antoine make the statement referred to, and I am not aware of the statistics. I would point out to the hon. member for West Lambton (Mr. Pardee) that this measure exempts unmarried persons in respect of an income of $1,500 or less, and it exempts married persons in respect of an income of $3,000 or less. Therefore it does not seem to me it would bear very heavily upon the class of persons he has in mind.

[Sir Robert Borden.]

Mr. PARDEE: Might I say that the Prime Minister's answer is not a reply to my question?

Sir ROBERT BORDEN: Then I did not understand the question.

Mr. PARDEE: The member for St. Antoine said that the rich man contributed about one-quarter of the Patriotic Fund, and the rest of the people contributed the balance. My question is this: Under the present Bill, if you take the incomes from $6,000 up, which I think will be considered by any man in this House as a fair income, irrespective of what may be his circumstances, he may—

Mr. SPEAKER: Order. The hon. gentle man is proceeding to make a speech.

Mr. PARDEE: I was just going to ask a question, your Honour. Is it not fair to suppose that under this Bill the poor man is still being mulcted, whilst the man with an income of over $6,000 is being practically left alone?

Sir ROBERT BORDEN: The terms "rich" and "poor" are relative terms. I do not know what my hon. friend has in mind. I can only repeat that no married person will be "mulcted" under this Bill unless he has an income of more than $3,000, and no unmarried person will be "mulcted" under this Bill unless he has an income of at least $1,500. Therefore, it does not appear that the evils my hon. friend has in mind can possibly occur.

Mr. McKENZIE: The Prime Minister seems to call us severely to task on this side of the House for even suggesting that it was ever the intention of the Government to put an end to the War Profits Act at the end of this year. The Prime Minister was not in the House, I believe, on one of the days when it was discussed, but, if we can rely upon what the Minister of Finance says—and we ought to—he stated emphatically and clearly, in unmistakable English, that the War Profits Act terminated by virtue of its creation or length of existence on the last day of this year, and that it was not the intention of the Government to continue it. I will read the statement to the Prime Minister, and he will excuse us for thinking that the Minister of Finance meant what he said. Speaking in this House on the 25th day of July, as will be found at page 3915 of Hansard, the Minister of Finance said:

My hon. friend from Wright very properly asked as to whether those who are paying a

very heavy business profits taxation are subject to this income measure. The House is aware that liability to the Business Profits War Tax Act of 1916 and the amendment thereto of this year comes to an end on December 31 this year, and it is not the intention to renew that measure.

There can be no mistake about that. It is perfectly clear. I myself spoke, at the time, and told him that it was most unfortunate that he should have said that and pressed him to qualify that statement but he sat obdurate and would not even deign to answer me. But now, having thought the matter over, he is coming around to another condition of mind. It only shows that you cannot cross the street upon the word of the hon. gentleman because he says one thing now and another thing the next minute. The Prime Minister should chastise his Minister of Finance instead of blaming us, and ask him what he meant before he reads a lecture to us on this side for believing what he said. Perhaps the Prime Minister will say: If you knew the Minister of Finance as well as I know him, you would pay no attention to what he says. I did not think that the right hon. gentleman who leads the Government should be allowed to get off full sail with a statement which was not the fact, as to what the Minister of Finance said. Whether he will keep it or not is another matter which nobody on earth can tell.

Motion agreed to, and Bill read the third time and passed.

GAME IN THE NORTHWEST TERRITORIES.

House again in committee on Bill No. 100 respecting Game in the Northwest Territories.—Mr. Roche.—Mr. Rainville in the Chair.

On section 4—Regulations:

Mr. ROCHE: Owing to some criticisms that were offered, we allowed several sections to stand over for further consideration. The criticisms were made particularly by the hon. member for Edmonton (Mr. Oliver) who stated that he would like to see incorporated in the form of a statute what we had proposed to put in the form of regulation. To meet the wishes of the hon. gentleman, and after consideration, we have decided to amend this clause by striking it out and substituting another. I therefore beg to move:

That section 4 be struck out and the following substituted therefor:

4. (1) Except as hereinafter provided, the following shall not be hunted, taken, killed, shot at, wounded, injured or molested in any way during the following times of year respectively:

(a) Moose, caribou, deer, mountain sheep and mountain goats between the first day of April and the fifteenth day of July, and between the first day of October and the first day of December;

(b) Minks, fishers and martens between the fifteenth day of March and the first day of November;

(c) Otter and beaver between the fifteenth day of May and the first day of October;

(d) Muskrats between the fifteenth day of May and the first day of October;

(e) White fox between the first day of April and the fifteenth day of November;

(f) Partridge, prairie chicken, ptarmigan and other species of grouse between the first day of January and the first day of September;

(g) Wild geese and wild duck with the exception of eider duck between the fifteenth day of December and the first day of September.

(2) Except as hereinafter provided, no eggs in the nest of any of the said birds or in the nest of any other species of wild fowl, shall be taken, destroyed, injured or molested at any time of the year.

(3) Notwithstanding anything contained in subsections 1 and 2 the game therein mentioned may be lawfully hunted, taken or killed and the eggs of birds therein mentioned may be lawfully taken by Indians or Eskimos who are bona fide inhabitants of the Northwest Territories or by other bona fide inhabitants of the said territories and by explorers or surveyors who are engaged in any exploration, survey or other examination of the country, but only when such persons are actually in need of such game or eggs to prevent starvation.

(4) Except as hereinafter provided, buffalo or bison shall not be hunted, taken, killed, shot at, wounded, injured or molested at any time of the year.

(5) Except as hereinafter provided, musk-ox and wapiti or elk shall not be hunted, taken, killed, shot at, wounded, injured or molested at any time of the year except in such zones and during such period as the Governor in Council may prescribe.

(6) Except as hereinafter provided, white pelicans shall not be hunted, taken, killed, shot at, wounded, injured or molested at any time of the year.

(7) Except as hereinafter provided, the following shall not be hunted, taken, killed, shot at, wounded, injured or molested in any way.

Subclause (a) of Clause 6 of Section 4:

(a) Wild swan, until the first day of January, 1928.

(b) Eider duck, until the first day of January, 1923.

(8) Notwithstanding the provisions of subsections 1, 3, 4, 5 and 6, the minister or any officer or person authorized by him, may issue a permit to any person to take or kill at any time such mammals and birds or take the eggs or nests of birds, for scientific or propagation purposes.

(9) Excepting a native-born Indian, Eskimo or halfbreed who is a bona fide resident of the Northwest Territories no person shall engage in hunting, trapping or trading or trafficking

in game without first securing a license so to do.

(a) The fees for such licenses when issued to a bona fide resident of the Northwest Territories shall be:

For hunting and trapping, $2.

For trading or trafficking, $5.

(b) The fees for such licenses when issued to non-residents of the Northwest Territories shall be fixed by the Governor in Council.

(10) The Governor in Council may make regulations:

(a) Regulating or prohibiting the use or possession of poison, ammunition, explosives, traps, snares, spring-guns, firearms and other implements, appliances and contrivances for hunting, killing, taking, trapping, destroying or capturing game: Provided that such prohibition shall not apply to such types of guns, rifles, traps and ammunition as are now in common use;

(b) permitting the hunting, killing, taking, capturing or trapping of specimens of game for scientific or propagation purposes;

(c) governing the issue of licenses and permits and prescribing the terms and conditions thereof;

(d) authorizing the appointment by the minister of game officers and game wardens and prescribing their duties;

(e) regulating the possession of and transportation of game;

(f) for any other purposes which may be deemed expedient for carrying out the provisions and intentions of this Act whether such regulations are of the kind enumerated or not.

(11) Any regulation made under the provisions of this section may be made to apply to the whole or any part of the Northwest Territories.

For caribou, deer, mountain sheep, etc., we are making the dates much the same as they now are in the Northwest Territories Game Act, with such slight changes as are necessitated by the migratory bird treaty which has been entered into between the United States and Canada and which has been confirmed by this Parliament. These amendments have been submitted to my hon. friend from Edmonton and I may say he approves of them.

Section as amended agreed to.

On section 7—Game officers to be justices of the peace:

Mr. ROCHE: Every game officer under the authority of this Act and of the regulations was to be an ex-officio justice of the peace for the Northwest Territories. We are striking out this section, and, therefore, I move section 7 be struck out.

Amendment agreed to.

On section 8—Game officers may appoint constables:

Mr. ROCHE: In view of the elimination of section 7, it is necessary to change section 8, which, in its original form, provided for a person being brought to trial before a game officer. I therefore move:

That subsection 2 of section 8 be amended by striking out the words "or game officer" in the third line thereof.

Amendment agreed to, and section as amended agreed to.

On section 10—Seizure:

Mr. ROCHE: In its original form section 10 provided that the outfit, including traps, boats, horses, dogs, etc., belonging to a convicted person could be seized, and, if so ordered by the trial justice, confiscated. The new section simply provides for their being held as security for the payment of any penalty imposed. I beg to move:

That Section 10 be struck out and the following substituted therefor:

(10) (1) All guns, ammunition, traps, boats, skiffs, canoes, punts and vessels of every description, horses, dogs, wagons, sleighs, and other outfits, decoys and appliances and materials of every kind, used in violation of or for the purpose of violating this Act or any regulation, may be seized upon view by any game officer or game warden or taken and removed by any person appointed for such purpose by a game officer or game warden for delivery to a justice of the peace who may order such chattels to be held pending the payment of any penalty for the offence committed.

(2) (a) Any game taken, caught, killed or had in possession,
or any nest or egg or parts thereof taken or had in possession,
in violation of this Act or any regulation, and

(b) any poison, ammunition, explosives, traps, snares, spring-guns, firearms, and other implements, appliances and contrivances the use of which is prohibited under the provisions of this Act,
may be seized on view by any peace officer, game officer or game warden, and shall be forfeited to the Crown.

Amendment agreed to, and section as amended agreed to.

On section 17—Separate offences:

Mr. ROCHE: A person might consider it desirable and profitable to take chances of offending on a large scale, if the killing, trapping, taking or capturing of each animal did not constitute a separate offence, and that was the reason this section was inserted. When this measure was before the House on a former occasion objection was taken to the words in this section "or having in his possession," and we are eliminating those words, and confining it to the killing, trapping, taking, or capturing. The section as amended will read as follows:

The killing, taking, trapping or capturing of each animal or bird contrary to the provisions of this Act or a regulation shall constitute a separate offence.

Amendment agreed to, and section as amended agreed to.

On section 19—Penalties:

Mr. ROCHE: The maximum penalty for killing such animals as the musk-ox and buffalo, is made $500 and the minimum penalty $5 for other offences. The section, as amended, reads as follows:

Any person who violates any of the provisions of this Act for which no other penalty is provided, or of any regulation, shall be guilty of an offence and shall be liable on summary conviction to—

(a) A fine not exceeding $500 or less than $100 or to imprisonment for any term not exceeding six months or to both fine and imprisonment for any offence against subsections 4 and 5 of section 4.

(b) A fine not exceeding $200 or less than $50 or to imprisonment for any term not exceeding three months or to both fine and imprisonment for any offence under subsection 9 of section 4.

(c) A fine not exceeding $100 or less than $5 or to imprisonment for any term not exceeding two months or to both fine and imprisonment for any other offence against this Act or a regulation.

On section 18:

Mr. ROCHE: This is a new section. I move that the following section be added to the Bill, as section 18:

18. (1) Whenever by this Act it is made an offence to do any act without holding a license therefor, the onus in any prosecution shall be upon the person charged, to prove that he was the holder of the license required by this Act.

(2) In any prosecution under this Act the onus of proof as to his bona fide residence in the Northwest Territories shall be upon the defendant.

Section agreed to.

On section 22—Commencement of Act:

Mr. ROCHE: I move that this section be struck out.

Motion agreed to.

Bill reported as amended and amendments concurred in.

On motion of Mr. Roche for the third reading of the Bill:

Mr. OLIVER: As the amendments have been run through somewhat hurriedly, I would bespeak of the minister a very careful comparison of the typewritten copies placed before the committee, and if there are found to be any differences the Bill could be referred back for correction.

Mr. ROCHE: Yes.

Motion agreed to, and Bill read the third time.

MINISTER OF OVERSEAS MILITARY FORCES AND PARLIAMENTARY SECRETARIES.

THIRD READING OF BILL.

On motion of Sir Robert Borden for the third reading of Bill No. 122, respecting the Minister of Overseas Military Forces, the Parliamentary Secretaries of the Department of Militia and Defence, and Parliamentary Secretary for External Affairs.

Mr. OLIVER: I should like to have it recorded that the Bill is carried on division.

Motion agreed to and Bill read the third time on division.

On motion of Sir Robert Borden, the House adjourned at 10.12 p.m.

Saturday, August 18, 1917.

The House met at Three o'clock, the Speaker in the Chair.

REPORT PRESENTED.

Report of the Secretary of State for the year ended March 31, 1916.—Hon. Mr. Roche.

WHEAT REGULATIONS.

On the Orders of the Day:

Hon. FRANK OLIVER (Edmonton): I wish to make an inquiry of the Minister of Trade and Commerce (Sir George Foster), who is not in his place, in regard to a notice appearing in the Montreal Gazette this morning respecting the limitation of the price of wheat. Recently an order was promulgated fixing a maximum limit of $2.40 a bushel on wheat of last year's crop after August 1. The statement in the Gazette, as I read it, is that the price of wheat is absolutely fixed at $2.40 a bushel until August 31. I do not understand whether it is stated that the provision has application particularly to last year's or to this year's crop. I wanted to ask the minister if the provisions of the order are correctly stated.

Sir ROBERT BORDEN (Prime Minister): In the absence of the Minister of Trade and Commerce, I do not know whether I can give my hon. friend the information that he desires. There has been no recent Order in Council, so far as I recollect at the moment, with regard to the price of wheat. There has been, however, a regulation of the commission in regard to the exportation of flour. When the Minister of Trade

and Commerce is present I shall direct his attention to my hon. friend's inquiry and endeavour to give him the information that he asks for.

Mr. OLIVER: I wish to direct the attention of the Minister of Trade and Commerce to what appears to be an inaccuracy in the statements made by him in the House in respect to a question of mine on August 16th. On that occasion, the minister is reported as saying—page 4746 of Hansard:

> At the present moment the price of grain, grade for grade, is less at Minneapolis than it is at Winnipeg.

I have looked up the market reports in the Montreal Gazette and I find that on Thursday the Gazette reports that at Minneapolis, No. 1 Northern was $2.60 to $2.65. Those who are acquainted with the grain trade know that No. 1 Northern at Minneapolis is not better than or worth more than No. 2 Winnipeg; so that there was a very marked difference in the price on that day, according to the report in the Gazette. I think that it is only fair that the attention of the Minister of Trade and Commerce should be drawn to that fact. I should like to draw attention also to the further fact that in this morning's Gazette the Minneapolis price is given, No. 1 Northern, as $2.40 to $2.45. Again I say that No. 1 Northern Minneapolis is no better than No. 2 Winnipeg; therefore there is, even to-day, a marked difference between the Winnipeg and Minneapolis prices, in favour of Minneapolis.

Sir GEORGE FOSTER (Minister of Trade and Commerce): The other day my hon. friend from Edmonton (Mr. Oliver) either made a statement or left the impression on the House that the allied producers of wheat in the United States were paying more than was being paid under the fixed price of $2.40 in Canada. I think I expressed, at that time, my impression that that would not be true. I have since received official information, and perhaps it is well that I should give it to my hon. friend and to the House. Since July 1, the highest price paid by the Wheat Commission for export to the Allies in the United States was $2.50 for No. 1 Northern, f.o.b. at Atlantic and Gulf ports. The price quoted on August 17, was $2.27 f.o.b. When my hon. friend takes into account this statement of price and the further consideration that from fifteen to twenty cents is required to carry wheat from Fort William to Atlantic ports, he will see that there was no foundation for any impression he might have or for any statement he might make.

Mr. OLIVER: Before the minister came in, I drew attention to the feature of the discussion in which the remarks alluded to now occurred. If I am not out of order, I might perhaps repeat my remarks, now that the minister is here.

Sir GEORGE FOSTER: Perhaps my hon. friend will let the matter lie over until Monday.

Mr. OLIVER: Very well. The minister will see my remarks in Hansard.

PENSIONS TO CANADIANS IN IMPERIAL FORCES.

On the Orders of the Day:

Mr. E. M. MACDONALD (Pictou): I notice a despatch in this morning's papers in regard to a query put in the Imperial House of Commons relating to a matter upon which we might have a statement from the Minister of Militia. A Canadian enlists in the Imperial forces. Is he entitled to receive pension, in the event of being wounded—or in the event of his death, are his relatives entitled to receive pension—from the Canadian Government? I was under the impression that the report of the committee last year, which was incorporated in an Order in Council, provided that pensions would go to Canadians enlisted in any of the Allied forces. However, in a letter written to me, a young sailor who enlisted when the war began on the other side said that he was anxious to get into the Canadian forces, because if he should be wounded, being a member of the Imperial forces, he would not be entitled to receive Canadian pension. This is a matter of some importance, and if the Prime Minister cannot give me any information on the subject to-day, perhaps a statement could be made on Monday.

Sir ROBERT BORDEN: I shall be glad to direct the attention of the Minister of Militia to my hon. friend's inquiry. Whatever recommendations were made by the committee last year—I have not a precise recollection as to this particular point—were embodied exactly in the Order in Council that was passed. There will be a distinction, I think, between the case of a Canadian who actually enlisted in the Imperial forces and that of a Canadian who enlisted in the Canadian forces and was subsequently transferred or attached to the British forces. However, I shall obtain

exact information in regard to the matter and see that it is given to my hon. friend.

Mr. MACDONALD: When is the resolution with regard to pensions to be introduced? Instances have been brought to the attention of many hon. gentlemen indicating the desirability of giving wider discretion to the Pensions Board to deal with cases that could not have been anticipated when the Pensions Act was passed.

Sir ROBERT BORDEN: My hon. friend's inquiry is a very reasonable one. I shall make an announcement on the subject early next week.

WESTERN COAL SUPPLY.

On the Orders of the Day:

Mr. W. E. KNOWLES (Moosejaw): The Minister of Trade and Commerce stated on Thursday that he had received a report from Mr. Magrath. Would he be averse to bringing down a copy of that report?

Sir GEORGE FOSTER: I am not sure about bringing down copies of those reports. They are made to me, and I would have to look them over. To convey all the information my hon. friend and, no doubt, the House would like to have on the subject of provision of coal for Canada during this season would require more than an answer to a question. I do not say that the House is not interested in that information, nor that it should not have it. I think that on Monday or Tuesday, if the House so desires and will permit me, I will make a somewhat extended statement so as to show the existing conditions of things and the present possibilities of securing supplies.

Sir WILFRID LAURIER: The House will certainly be glad to have such a statement.

Sir GEORGE FOSTER: Then I shall be very glad to make it.

MILITARY SERVICE ACT. 1917.

CONSIDERATION OF SENATE AMENDMENTS.

Sir ROBERT BORDEN moved concurrence in certain amendments made by the Senate to Bill No. 75, respecting Military Service. He said: The amendments will be found on pages 885 and 886 of the Votes and Proceedings for the 9th of August. The first amendment is the insertion of the definition of the word "tribunal" in section 1. The amendment is merely this:

> Tribunal means a tribunal constituted under this Act.

The next amendment is to section 7. Section 7 makes provision for appeals of tribunals. By inadvertence, when the Bill went through the House of Commons, there was no appeal tribunal provided for the Yukon Territory. The Senate has accordingly amended section 7 by the addition of subsection 2 in these words:

> The Judge of the Territorial Court, or the person appointed in the place of the said judge under the provisions of the Yukon Act, shall constitute the Appeal Tribunal for the Yukon Territory.

The third amendment is one that was suggested in this House by an hon. gentleman on the other side, I think, the hon. member for North Cape Breton (Mr. McKenzie), and which it was intended to insert before the Bill went through this House. It is an amendment to section 16 which provides penalties for certain contraventions of the Act and of the regulations. The amendment, which is by the addition of subsection 4 to section 16, is in these words:

> No conviction in a court of criminal jurisdiction for an offence against this Act or the regulations made thereunder shall be had, unless the prosecution has been consented to or approved by the Attorney General of Canada.

It is not necessary that the approval of the Attorney General should be obtained before the prosecution is commenced. It is necessary, however, that that approval should be obtained before there is a conviction.

Mr. KNOWLES: I wish very respectfully to ask the Prime Minister why the consideration of these amendments has been delayed for so long, namely from the 9th to the 18th of August?

Sir ROBERT BORDEN: I am not aware that there is any particular reason, except that other business has been engaging the attention of the House, from time to time, and in any event, there is really no delay as the Bill cannot go into operation until it receives the assent of the Governor General.

Sir WILFRID LAURIER: I did not expect this matter to come up to-day, and therefore I will ask my right hon. friend for information in regard to a matter with which he is perhaps more familiar than I am. What is the effect of the amendment in regard to the word "tribunal" so far as habeas corpus and the right of prerogative are concerned?

Sir ROBERT BORDEN: The amendment is merely a definition of the word "tribun-

al," which definition the word would bear in any case. The word "tribunal" is used throughout this Act everywhere in that sense in which it is first mentioned, that is, a tribunal created by this Act for the purpose of this Act. The Senate, in the definitions, has provided that the word "tribunal" shall be used in that sense. I think it would be understood in that sense in any case.

Sir WILFRID LAURIER: The definition is quite proper and I do not object to it. It is an improvement in the Act that we should know exactly what is meant by the word "tribunal." By this Act a special tribunal is created. I cannot, however, find the provisions as to the application of habeas corpus or the right of prerogative. Do they apply to this tribunal or not?

Sir ROBERT BORDEN: No. I think that was fully explained when the Bill went through the House. I do not think the amendment affects that particular point at all.

Mr. SINCLAIR: Permit me to point out to the Prime Minister that the word "conviction" does not seem to be the proper word. Would not "prosecution" be better? Would it not be possible under this provision to start a prosecution, to issue a warrant and to take certain proceedings against an offender prior to conviction, without securing the approval of the Attorney General? I think it would meet the case if we said that no prosecution shall be had.

Sir ROBERT BORDEN: I would hardly agree with my hon. friend. For this reason: it might be most important to apprehend an offender immediately, and that could not be done in some instances, if the local authorities had first to obtain the consent of the Minister of Justice. As I understand it, the word "conviction" is used purposely in order that an apprehension may not be interfered with, and so that, on the other hand, before a conviction can be obtained, the approval of the Attorney General shall be procured.

Sir WILFRID LAURIER: Which means that the defendant can say to the judge: "You cannot convict me because the suit has not been authorized."

Sir ROBERT BORDEN: No.

Sir WILFRID LAURIER: There can be no conviction unless the suit is authorized, and that is what the defendant could say when he was brought before a court.

[Sir Robert Borden.]

Sir ROBERT BORDEN: That is it precisely. Before there is a conviction there must be approval of the proceedings by the Attorney General of Canada.

Mr. OLIVER: This reminds me very strongly of the proceedings in the Macdonald election in Manitoba, where men were arrested without charge, and after being incarcerated for a period, were released without trial. Of all the remarkable provisions of this Act, I think this is the most remarkable.

Sir ROBERT BORDEN: I think this amendment was suggested from the other side of the House. I do not regard it as remarkable at all, and I do not see the slightest analogy to the proceedings to which my hon. friend alludes, of which I have no knowledge. It merely amounts to this: that proceedings can be commenced against an offender under this Act without the approval of any person, but before a conviction is obtained it is necessary that the matter should be submitted to the Attorney General in order that he may determine according to his best judgment whether the case is one in which the proceedings should be carried to conviction. I am pretty sure that the amendment was suggested by an hon. gentleman on the other side of the House, and I know the Minister of Justice promised at that time to give consideration to it, but it was overlooked before the Bill went through, and the amendment was made in the Senate.

Mr. OLIVER: If the suggestion came from this side of the House, may I ask if it was not in the form suggested by the hon. member for Guysborough (Mr. Sinclair)?

Sir ROBERT BORDEN: My hon. friend may be correct about that; I am not sure. But if the suggestion was made in that form, it seems to me that it would not lend any weight to the argument which my hon. friend has just made.

Mr. R. B. BENNETT: I had occasion once to look into a similar provision. I had not thought of the matter until I heard it discussed the other day, but the Supreme Court has held that it would be necessary for the Attorney General to sign that consent in person and not by deputy. It would certainly be putting a heavy burden on the Minister of Justice to require his personal consent. I had this question under consideration in setting aside several convictions that were made against an

offender under the Lord's Day Act, which has a somewhat similar provision in it, and it was held by the Supreme Court that unless the Attorney General signed the consent in person the conviction should be set aside. I think this amendment would prove to be very cumbersome in practice.

Mr. MURPHY: I was going to suggest the very same thing, namely, that under this provision it would be possible to have people all over the country apprehended and put in jail and held there until the Minister of Justice could personally deal with each particular case, when it might be found there was no reason at all for the apprehension in the first place. I have no recollection, although I listened to the debate very closely, of any such amendment being suggested from this side of the House, but if there was, I think it must have been in the form suggested by my hon. friend from Guysborough. If not, I should like the hon. member who suggested the amendment to explain what he meant by it.

Mr. McKENZIE: The Prime Minister was good enough to refer to me in connection with this amendment. The suggestion was made by myself to the Minister of Justice on the second reading of the Bill. There was quite a heated discussion in the House on the point that any person might lay an information and have a person arrested for some trivial reason, and I suggested to the Minister of Justice that it would allay the suspicions and fears of a great many people if it were provided that no prosecution could be commenced except with his consent, and Hansard will show that the minister said he would take that suggestion into consideration. That was the suggestion I made. I certainly would not think of proposing that you should go on up to the stage of conviction without getting the consent of the Minister of Justice. This amendment is certainly not what I proposed.

Mr. KNOWLES: Regardless of which side of the House the suggestion came from, I think we all want to see the provision made right. If it is worth the form of an amendment, it is surely worth amending in the best form we can devise. The law recognizes that a man should be preserved and protected against something vexatious. The presumption is that the only vexatious thing would be the prosecution. If the conviction is a just one, no man should be protected against that, and all the Attorney Generals in Canada should not forbid a judge from registering a conviction where a conviction should be registered; if the conviction be unjust, then we must presume that there will be no conviction, but the jury will say, "Not guilty." The thing on the face of it seems to me to be absurd. The principle is that we should not lead up to a conviction where no conviction is possible; it is those proceedings which cannot end in a conviction that it is desired to protect a man against. Where there is going to be a conviction against a man, he deserves no protection. Therefore, I think the amendment as it stands at present is an absurdity. There is something in what the Prime Minister says, that there might be exceptional cases where it would be necessary that the law should reach out its arm more swiftly than could be done by going to the department at Ottawa. But even to cover those cases it is not necessary that the protection against vexatious proceedings should be withdrawn to the extent of protecting a man only against conviction. Surely it is not the intention of this legislative body to say that we are going to allow all the vexatious proceedings of a trial to go on when they might just as well be stopped. Therefore, to meet the Prime Minister it is enough to say, that. barring the right of the law to keep a man under supervision or in custody, there shall be no prosecution against him without the leave of the Attorney General. This would avoid all the expense and delay of the preliminary proceedings. On the face of it, whichever ground you like to stand on, I think the amendment is an absolute absurdity.

Mr. R. B. BENNETT: But in the other way: "No trial shall be proceeded with until, etc."

Mr. KNOWLES: Yes, something along that line, although I do not see much need of the amendment at all. It would be better, I think. to leave it to the local Crown Prosecutors, and the agents for the Attorney Generals. It seems to me it would be very cumbersome to have to come to Ottawa for consent to proceed in these cases. I think the amendment should be redrafted, even from the standpoint of the Prime Minister.

Sir ROBERT BORDEN: I cannot agree with my hon. friend at all. I think he is conjuring up imaginary difficulties. For the reason I have already mentioned, it would be impossible to accept the section suggested by the hon. member for North Cape Breton and Victoria (Mr. McKenzie)

because it might lead to failure to apprehend persons seriously offending against the Act or regulations. The administration of this Act is entrusted to the Minister of Justice, and it is thought desirable that his approval should be secured before any conviction is obtained for contravention of the Act or the regulations. My hon. friend from Russell (Mr. Murphy) and my hon. friend from Moosejaw (Mr. Knowles) have described a situation which I would not think likely to arise. In case of a prosecution under this Act, that would happen? Immediately after the man was apprehended or the summons served upon him, as the case may be, the persons undertaking the prosecution would request the approval of the Minister of Justice, which would be given or withheld at once. There could not be any delay such as my hon. friend from Russell has described, because the proceedings against any person apprehended must go on according to the provisions of the Summary Convictions Act or the other enactments governing such cases, and it would not be possible to hold people in prison for a long time while the Minister of Justice was deliberating as to whether or not his approval should be given. It seems to me the provision is an eminently reasonable one, having regard to the fact that it requires the approval of the minister to whom is entrusted the duty of administering the provisions of the Act.

Mr. MURPHY: Mr. Speaker—

Mr. SPEAKER: Under this motion it is not competent for an hon. member to address the House more than once. I have relaxed the rule in the case of the Prime Minister, for the reason that in the absence of the Minister of Justice it seemed reasonable that some explanation should be forthcoming.

Amendments concurred in.

SUPPLY.

House again in Committee of Supply, Mr. Rainville in the Chair.

Civil Government—Office of the Governor General's Secretary. To provide for the promotion of John Guy, to doorkeeper and principal orderly, $1,000.

Sir ROBERT BORDEN: This is merely to carry out the provisions of an Act passed at the present session with regard to the increase of salaries of men in the lower grades of service. Mr. Guy has been doorkeeper for a long time, and is entitled to the promotion.

[Sir Robert Borden.]

Privy Council Office—To provide for the promotion of Arthur W. Merriam from Third Division, Subdivision A, to Second Division, Subdivision B, at his present salary, $1,150.

Sir ROBERT BORDEN: This does not involve any increase in expense at the present time. Mr. Merriam has been in the Third Division, Subdivision A, for six years. He is a very efficient official and is entrusted with fairly important dutes. I thought it was only reasonable to give him promotion at this time.

Sir WILFRID LAURIER: Is the increase $1,150?

Sir ROBERT BORDEN: No, there is no increase in salary at all.

Mr. MURPHY: I have no objection to the promotions provided for in those two items, but in view of the statement made by the Prime Minister that they are to give effect to the provisions of some legislation introduced earlier in the session—

Sir ROBERT BORDEN: Not this one. The previous one was.

Mr. MURPHY: It strikes me that the two gentlemen here provided for seem to be singled out for attention, while a great many others in the lower subdivisions of the Civil Service, whose cases were brought to the attention of the House when the Civil Service Act was under consideration, have been overlooked. There are men in the lowest division who, by reason of the application of the Civil Service Act and their inability to obtain the certificate provided for under the regulations, have been stranded—marooned, so to speak. They have reached the maximum of their class and are unable to obtain further advancement. There are several hundreds of such employees, some of them in the Post Office Department, some of them in the Customs or other departments. There are anomalies presented in those departments of men being in charge of a room who are in lower grades than their subordinates. It seems to me if there was a provision made in the estimates for the relief of any of the civil servants receiving small salaries and discharging important duties, it should apply to this class of men.

Sir ROBERT BORDEN: My hon. friend will observe that item 411 provides a general vote for a number of them.

Mr. MURPHY: Yes, I noticed that. Perhaps we will have an explanation as to

whom that item will apply to, when we reach it.

Department of External Affairs—To provide for an increase in salary to the assistant Under Secretary of State for External Affairs to $4,000, $425.

To provide for one clerkship in Third Division, Subdivision A, $900.

Mr. MURPHY: Who is this assistant?

Sir ROBERT BORDEN: Mr. W. H. Walker. My hon. friend (Mr. Murphy) who was Secretary of State for External Affairs probably knows this gentleman's qualities as well as I do. He is a highly educated man, who entered the public service many years ago.

I have found him exceedingly diligent and very efficient. In the absence of Sir Joseph Pope, inevitable on a great many occasions during the past three years when he was called upon to discharge important duties elsewhere, Mr. Walker has fulfilled the duties of the under-secretary with marked ability. Sir Joseph Pope has brought his case to my attention on many occasions during the past three years and, having regard to the extremely important duties that Mr. Walker has been called upon to fulfil during that period, it seemed to me that I could not delay the matter any longer.

Mr. McKENZIE: Are these appointments made under the Civil Service Act?

Sir ROBERT BORDEN: Mr. Walker has been there for thirty years.

Mr. McKENZIE: Is this a promotion by virtue of the Civil Service Act or by special vote?

Sir ROBERT BORDEN: By special vote.

Mr. McKENZIE: If the Civil Service Act is not now sufficient to cover a case of this kind, or is not sufficiently comprehensive to meet each case that may come up from time to time, I would suggest that the Act be amended. This tinkering with the Civil Service, taking a man here and there, promoting him over the head of somebody else and coming here for his salary, does not seem to be satisfactory. If the machinery of the Act were so arranged as to provide for dealing with matters of this kind in accordance with the Act it would save a good deal of trouble and would avoid dissatisfaction amongst civil servants. Of course there cannot but be serious trouble and annoyance when two or three are singled out for promotion, while a great many others are of necessity left who are looking for promotion. I would seriously suggest to the Government that sufficiently comprehensive and workable machinery should be provided under the Civil Service Act so that the Government would not be obliged to come here for special votes to provide for special appointments:

Royal Northwest Mounted Police—subsistence, billeting, forage and dog feed, fuel and light, clothing, repairs and renewals, horses, arms and ammunition, stationery, medical stores, transport, water service, building repairs and contingencies—further amount required, $260,000.

Sir ROBERT BORDEN: Before the explanation of this item is given, I would like to give the information which was asked for when a similar item in the estimates was under consideration. The inquiry was as to the number of men in the Royal Northwest Mounted Police who had enlisted for service for overseas. After the war broke out there were 56 Imperial reservists in the Royal Northwest Mounted Police and they were allowed their immediate discharge, they having been called to the colours. There were a number of applications from the members of the force to proceed to the front, or failing leave of absence, for their discharge. It did not seem expedient at that time that in these cases leave should be given. On the 2nd February, 1915, an order was issued as follows:

That any non-commissioned officer or constable who has less than three months to serve to complete his present engagement, may be permitted to purchase his discharge for the purpose of joining any contingent being raised for war services, provided he produces certificates that he will be enrolled in a contingent as above stated, if he is permitted to purchase his discharge from the police. This privilege is not to be extended to men who engaged for one year's service on account of the war.

That relates to the additions made to the force during the first months of the war whereby men were enlisted for one year instead of the usual three years. That order has never been cancelled, but it has recently been found necessary to temporarily suspend its application. One hundred and five men have been permitted to purchase their discharge, 75 of whom are known to have enlisted for service overseas and all of whom, with the exception of about six, have already gone overseas. In addition to those who have purchased their discharge, a considerable number of men whose terms of service have expired since the outbreak of the war have taken their discharge from the force, and, although there is no official record of these men having joined overseas units, the comptroller

of the Northwest Mounted Police is strongly of the opinion that the majority of them have done so. The loss of strength due to the release of men at the expiration of their engagement was so serious that I was obliged to address a special appeal to all ranks with the view of retaining their services in Canada. The present authorized strength of the force is 1,200, exclusive of officers, but the actual strength of all ranks on 3rd August was 742 only, and the commissioner is now actively engaged in an endeavour to bring the force up to the authorized strength above quoted.

Mr. HUGH CLARK: This vote of $260,000 is made necessary by the fact that on January 1, 1917, the Mounted Police were released from duty in the provinces of Saskatchewan and Manitoba and on March 1 from duty in the province of Alberta. This meant a loss of revenue to the police, on account of the subsidies that were received from these provinces being withdrawn, as follows:

Subsidies from Alberta, Saskatchewan and Manitoba for the fiscal year 1917-18 not now available on account of the release of the Northwest Mounted Police from the duty of the maintenance of law and order in those provinces	$155,000
Refunds not now available for the causes above referred to	$92,500

These refunds were on account of amounts paid for patrols and escorts, etc., of convicts and lunatics that were paid out of police funds and afterwards refunded by the provinces to the police. The balance is an item of $12,500, which, the commissioner states, is necessary for one hundred remounts.

Sir WILFRID LAURIER: I do not exactly apprehend the explanation. The House is asked to vote $260,000 additional to what has been voted already. As I understand the explanation, there is no addition to the amount of money really voted and to be expended, but that this is simply to make up the amount of money which was paid by the three provinces of Manitoba, Alberta and Saskatchewan for the protection of the police. This money, as I always understood, was paid into the consolidated fund and was not expended by the police themselves. I do not understand why we are called on to vote more money because we receive less revenue. That is not the spirit of the Act or of our financial system. The principle is that money is voted here and is expended here, and any revenues go into the consolidated fund. This year we shall receive less money and so we shall have less to expend, the expenditure will be reduced because the police force which was employed in Manitoba, Alberta and Saskatchewan will no longer be employed there, as the Provincial Governments will have to look after their own police work.

Mr. HUGH CLARK: The amount asked for in the main estimates was $1,513,169. From this amount the sum of $355,000 was deducted, which represented the subsidies that we received from these three provinces as well as refunds, leaving a net amount required of $1,158,169. As I said, on 1st of January and 1st March, the police were released from duty by the provinces, and consequently the subsidies stopped, and a considerable portion of the $355,-
4 p.m. 000 that we used to receive will, of course, not now be available. In January, 1917, when the commissioner sent down his estimates, while these estimates were made after the change was made by the provinces. These figures did not reach the Minister of Finance in time to go into the main estimates, and the amount of $260,000 is required to make up the difference.

Sir WILFRID LAURIER: But it does not make it up. My hon. friend asks for $1,300,000 in the main estimates for subsidies, subsistence, billeting, forage, dog feed, fuel, light, clothing, etc—that is, for the general expenses of the police. Now he asks for $262,000 more for the same purpose. He is authorized to spend by this not only $1,300,000 but over $1,500,000. It is no answer to tell us there is less revenue; that is no explanation at all. Whether there is less or more revenue does not matter. Do we require this amount for these purposes? I could understand my honourable friend saying that owing to the increased cost of all commodities this increased amount was necessary, but certainly it is no explanation to tell us that we have less revenue than we had before.

Mr. HUGH CLARK: I am sorry I have not made myself plain. I said that the amount required was $1,513,169; but that, on account of this new arrangement, this had been reduced by the amount of $355,-000 which we used to receive from these sources.

Sir WILFRID LAURIER: That does not help the situation.

Sir ROBERT BORDEN: If there is any difficulty we shall let this stand so as to have a full explanation. It would appear

that the amounts which have been received from the provinces have been placed at the disposal of the Controller of the Royal Northwest Mounted Police, but he made his estimate up for each year to ascertain the amount which would be required, and he then deducted from it the amounts which were made available through the subsidies of the provinces. Then he came to Parliament and asked for the balance, whatever it might be. When those subsidies cease to be available for a portion of the year he finds it necessary to come and ask for an additional amount, which, in the first instance, would have been provided for except for the fact that these subsidies were available for the maintenance of the force.

Sir WILFRID LAURIER: That is highly irregular.

Mr. R. B. BENNETT: I think I have a little knowledge of the transaction in my province. There was an outstanding agreement between this Government and the Provincial Government. Under that agreement the province was to pay a certain sum to the Federal Government for the use of the police and to pay part of their cost of upkeep, etc. That sum of money was deducted from the total cost and this Parliament voted the difference, and what we passed in the main estimates was the difference between the total cost and the sum received from the provinces under the agreement. What we are now voting is that sum, which represented the payments made by the provinces under the agreement, and what the right hon. gentleman (Sir Wilfrid Laurier) says as to our voting the whole sum and then taking the amount received from the provinces into the consolidated revenue fund would, undoubtedly, be the proper course.

Sir WILFRID LAURIER: Hear, hear.

Mr. R. B. BENNETT: But in practice this Parliament voted only the difference between the total cost and the amount contributed by the provinces.

Sir WILFRID LAURIER: I understand the explanation, but the practice is not regular. In my time it was not done. This conveys a wrong impression; it conveys the impression that we have been spending $1,300,000, whereas we have been spending $1,500,000.

Sir ROBERT BORDEN: I can assure my right hon. friend that I made no change in the practice. Whether the practice is right or wrong, I think it must have been in force all along, as I never directed any change.

Sir WILFRID LAURIER: The change is in the controllership. Is this not to be rectified?

Sir ROBERT BORDEN: There is nothing to rectify now, because the system has been changed. I shall ascertain whether or not the practice referred to has been universal ever since the agreement was first made. I am inclined to think that under the Order in Council embodying the agreement between the provinces and the Dominion it was regarded as perfectly proper and regular that the amounts received from the provinces should go directly into the funds available for the Royal Northwest Mounted Police.

Mr. SINCLAIR: Representing an eastern constituency, I should like an explanation why Parliament is assuming a liability that was formerly assumed by the western provinces.

Sir ROBERT BORDEN: The Commissioner of the Royal Northwest Mounted Police, Mr. Perry, strongly recommended that during the war the force should be relieved from the duties which it had hitherto performed—duties of an ordinary police nature—and that its services should be retained for federal purposes. It has been thought expedient to establish a good many patrols that were not formerly necessary and to take other precautions in respect of contingencies for which the police are available. It was upon his report that the negotiations were entered into with the provinces in question and that the present arrangement has been arrived at.

Mr. SINCLAIR: We understand, then, that the Mounted Police are not doing the same provincial work that they formerly did.

Sir ROBERT BORDEN: They formerly did all the police work of the Northwest Territories before those territories were incorporated into provinces. They were the only police there at that time. After the provinces were established, I suppose local police forces were established in the cities and towns; nevertheless the Royal Northwest Mounted Police had detachments in all cities and towns and co-operated with the civil authorities whenever required; in fact, they were under obligation to do so. Conditions in that respect have changed a good deal in those provinces during the last ten or twelve years. Further, on account of

the exigencies of the war the commissioner thought that the services of the force should be reserved for purely federal purposes. I think that I sent my right hon. friend (Sir Wilfrid Laurier) at the time a copy of the report of the commissioner in regard to the matter, before the negotiations were consummated.

Sir WILFRID LAURIER: Yes. I understand the matter, after the new provinces were created in 1905 the Governor in Council made arrangements with the Provincial Governments of Manitoba and Saskatchewan to continue the services of the Royal Northwest Mounted Police, $150,000 being devoted to that purpose. The Mounted Police performed provincial as well as federal duties; they acted as constables in matters purely provincial. In view of the conditions relating to the war, however, it was advisable that the Mounted Police should be relieved from provincial duties and enabled to perform duties at the frontier incidental to guarding against the danger, I will not say of an invasion, but of a raid, or something of that kind, from the south. I think, therefore, that it was advisable, under the stress of the times, that the Mounted Police should be available purely for federal purposes.

Mr. KNOWLES: Does the member for Calgary (Mr. R. B. Bennett) know of his own knowledge that the provincial bonus was paid out without the vote of Parliament?

Mr. BENNETT: I was told that it was sent to the comptroller of the Mounted Police and by him deposited to the credit of the Mounted Police fund, and that against that fund they issued cheques without the matter being dealt with by Parliament at all. My information was the result of my making some inquiries in consequence of the termination of the agreement. I may not have the full explanation.

Mr. KNOWLES: I am not at all familiar with the rules of the Auditor General's Department, but it seems remarkable that he should authorize the payment out of such large sums of money without the authority of Parliament.

Mr. R. B. BENNETT: The Mounted Police Department handled their own cheques.

Mr. KNOWLES: It ought to have been done through the Auditor General's Department. Suppose they decided to give $100,000 to the Liberal campaign fund?

[Sir Robert Borden.]

Mr. R. B. BENNETT: I did not think you had one.

Mr. KNOWLES: Well, to start one with? Surely the Auditor General checks these payments out.

Sir ROBERT BORDEN: Every payment must come under the supervision of the Auditor General. The question is simply this: were the amounts derived from provincial subsidies paid into the Consolidated Revenue Fund, or were they paid directly to the comptroller of the Royal Northwest Mounted Police as an amount which could be used by him, under the supervision of the Auditor General, in the maintenance of the force? I have never made inquiry into the subject, but the latter must have been the case.

Mr. KNOWLES: I do not make any suggestion that anything occurred in connection with the matter that was not perfectly sincere and bona fide. Under either Government, no department has been more readily granted money by Parliament than the Northwest Mounted Police. The Prime Minister personally has always had charge of the department, the traditions and records of which have commanded the respect and confidence of the people. I understood the Prime Minister and the leader of the Opposition to approve of the present status of the Royal Northwest Mounted Police. I regard its present status as very unfortunate and very poor business indeed. We have 800 men there.

Sir WILFRID LAURIER: Where?

Mr. KNOWLES: In the Royal Northwest Mounted Police. I am sorry to say that we have 800 idle men. Men are very scarce in Canada to-day, for fighting, for enforcing the law, for protection against crime, or for the performance of ordinary civil duties. The men of the mounted police are all able-bodied men; they are not lazy. Members of the Royal Northwest Mounted Police, officers and men, have more than once told me that for a while after this change was made they were very happy indeed, but that now they find absence of employment very irksome. Some of them fill in their time playing tennis or golf. These men formerly worked hard, and the change has been too radical to result in happiness and contentment. Besides, the men would naturally be happier if they had something to do. I cannot offer a solution of the problem, but I present it to the Prime Minister as a matter that is worthy of his consideration. At a time when we are so

anxious to organize properly our man-power, we should not have such a large number of men insufficiently or not completely employed. It is common knowledge in the West—confirmed, I understand, by the Prime Minister—that Commissioner Perry some months ago became very much impressed with the idea that there might be certain perils at our door, and that the men under him should be available for the purpose of meeting that alleged danger; that they should not be occupied with ordinary police work out on the prairie. I am not in a position to criticise Mr. Perry; his judgment in a matter of this kind should be a great deal more valuable than mine. But it is always possible for Mr. Perry or some one else to get a one-sided view of his life's work. Mr. Perry may get an exaggerated idea of the military side, and unconsciously, and with the best conscience in the world, get away from the police side of his duty; and it is not impossible that Mr. Perry has got a little extra enthusiasm about the military side, and might be better pleased if he had a little army of his own as distinguished from a police force. He is, however, doing splendid work and is proving a very efficient head of that service. I know that because I am close to him geographically and have had considerable opportunity of judging of his work. The present condition of affairs would not be satisfactory to the country if the people knew everything about it. I do not bring this matter up in a contentious way, but so that the Government may find a solution for it. I know those men would be happier if they were of more use to the country. Many of them want to go overseas and fight for their country. Since the United States has come into the war and is organized for protective purposes, the danger that Mr. Perry saw, that is, the probability of anything like organized hosilities against Canada from the country to the south of us, is reduced to a minimum and almost entirely eliminated.

Sir WILFRID LAURIER: Do the Mounted Police do any patrolling now?

Mr. R. B. BENNETT: Yes.

Mr. KNOWLES: I think they do some patrolling, but it is a mere bagatelle as compared with the work they did in the early days.

Mr. R. B. BENNETT: In my province they do considerable work.

Mr. KNOWLES: But not so much as before. There are some in Moosejaw, but I do not know what they have to do there. There is certainly no country to patrol. There are no possible dangers there.

Mr. R. B. BENNETT: How many mounted policemen are there in Moosejaw?

Mr. KNOWLES: I really could not say.

Mr. R. B. BENNETT: Some of them have been taken away from my province.

Mr. KNOWLES: I see them on the street pretty often, and I know the officer in charge of them. He is there all the time; he has not been moved. My belief is that there are just as many of them there now as there were before. If they have been sent elsewhere, it is reasonable that we should have that information from the Government. Since the United States have come into the war, there is no need of patrol work, certainly not more than there was on the 1st of December last, and, at that time, we were able to get along with a limited number of men we had set aside. The Government should take advantage of this large body of man-power. If there is no police work for them to do, why not let the men have their ardent wish gratified, that is, let as many of them as can be spared go overseas?

Sir ROBERT BORDEN: My hon. friend has perhaps not an adequate realization of the apprehensions that were entertained about a year ago, not alone by Commissioner Perry, but by very important persons in the western provinces. The representations which were submitted to me from time to time and which were of sufficiently grave character to justify some action, were placed before Commissioner Perry who was brought down here and who was in consultation with the military authorities. Pretty careful arrangements were made. The whole question was discussed in every aspect, and my hon. friend will recollect that, at that time, we could not foresee that the United States would enter into the war in April of this year. I was in this position with regard to the matter—and I hope my hon. friend will appreciate my position—that if I disregarded the very grave warnings which came to me from important persons, and if anything occurred in the nature of a raid, the character of which would be exaggerated throughout the world and would produce a great deal of apprehension amongst our people, besides the loss and damage that might result, I could hardly justify myself nor could the commissioner justify himself before the House and the country. The matter was taken into the most attentive and careful con-

sideration, not only with Commissioner Perry, but with the military authorities and with the authorities of some of the provinces, if I recollect correctly; and on the whole, we thought the circumstances justified the action which was taken. If there are men there who are doing nothing, who, as my hon. friend says, are simply tired from being idle, that is a condition to which attention must necessarily be given. I shall forward the observations of my hon. friend to the commissioner of the Royal Northwest Mounted Police, invite his attention to them and ask for a report in regard to the matter. There is no disposition on my part to have men stationed or engaged where their duties are not of a useful character, but I would have my hon. friend bear in mind that any organized group of men employed by the people of the country for garrison or protective purposes cannot, in the very nature of things, be fully occupied all the time. It goes without saying that there are men engaged in the military service of this country in garrison and outpost duty whose time is not always fully employed. They are kept there waiting for a possible condition in which their services would be required. That, to a certain extent, is the case of the Royal Northwest Mounted Police. Still, my hon. friend's observations are of a character which makes it desirable that I should communicate them to the commissioner and ask for his observations and report with regard to them.

Mr. R. B. BENNETT: I think what my hon. friend from Moosejaw (Mr. Knowles) has said, while it naturally is entitled to the utmost consideration with respect to the territory to which he alludes, cannot find very much application in the province in which I reside. There are not very many idle mounted policemen in that part of Canada. There are the officers commanding various divisions at centres; they have always been there, and they discharge more or less administrative duties with respect to those units of the force that are out on patrol duty. They have always done that while I have been in the West—before there were provinces, and since. Undoubtedly the conditions to which the Prime Minister referred were very serious. Nothing in my judgment will ever take the place of the red coat of the mounted policemen in Western Canada as regards the preservation of regard for order and respect for the law. I have seen nothing that quite equalled it with the newcomers who come to our western land from abroad. It is saying nothing that is not common knowledge to every member of this House when I intimate that Commissioner Perry reconsidered the whole question of the placing of his patrols, and located them throughout western Canada, having regard not only to border conditions, but to our foreign-born population of enemy extraction. I remember, not long since, looking over the points at which those patrols were located, and you will find that, in every section, there is a very strong and earnest opinion on the part of English-speaking citizens that the force is too small. I have received many communications urging that the force be increased because of the conditions that have arisen, and if my hon. friend is reading the newspapers, as doubtless he is, he will observe that ,in more than one case—aye, in more than half a dozen cases recently—barns have been destroyed in western Canada, and some of the crops have been threatened under circumstances that speak of very great activity on the part of the enemies within our gates. And the earnest appeals that have been made to some of us at least to insure, by taking timely warning, against a recurrence of these evils, especially having regard to the ripening of the harvest, have been very pressing. If there are only 800 men in the force, when you come to consider that they are patrolling a territory a thousand miles in length and eight times the size of the United Kingdom of Great Britain and Ireland, I do not think this House will be greatly impressed with the suggestion that 800 men are too many. They are preserving law and order 300 miles north of Edmonton. There is also a detachment at Fort McMurray, and a detachment further north, which, of course, is in the unorganized Northwest Territory. Part of these 800 men are also preserving law and order 100 miles south of Macleod, which is distant from Edmonton 300 miles. So, you have in Alberta detachments of the Royal Northwest Mounted Police carrying the gospel of observance of the law and regard for property and civil rights over a territory 700 miles in length. They are also preserving law and order along the boundary from Manitoba to the Rocky mountains, a distance of 800 miles at least. So, while there may be instances such as those to which my hon. friend has referred, it cannot be said that these men are in any sense idle. Most of the young men in the force have sought, and sought in vain, to get into the regular forces. Now and then

some of them have been released, but it was found necessary, I believe, to prevent discharge by purchase in order to maintain the efficiency of the force.

While men in garrison have duties to perform awaiting attacks, it may also be truthfully said that they are awaiting raids and attacks which we hope will never happen. Take for instance, the case of Gibraltar and Malta, where men are performing duties of the highest order, but it is always hoped that there will never be an attack against either Gibraltar or Malta that will necessitate calling the military activities of these men into service.

With regard to the report of Commissioner Perry, hon. gentlemen will remember that it was suggested that the provincial forces were established purely for political purposes, and quite a controversy took place in the newspapers as to whether the provinces would be better protected with a police force of their own. Most people, however, thought it better to increase the force of the Royal Northwest Mounted Police, and maintain the arrangement between the Dominion and the provinces. But the provincial legislatures met and authorized the establishment of provincial forces. It was contended, and not improperly it seems to me, that with the passage of prohibitory legislation in the two western provinces a burden was put upon the mounted police of what might be called domestic police duty that interfered with their usefulness in the larger sphere of the preservation of order and respect for constituted authority which their uniform has always impressed on a new population. It was not in accord with the eternal fitness of things that those who were charged with maintaining that respect and reverence for constituted authority that always should be maintained in the midst of our new population, should have at the same time to go out and search for a quart of beer or a pint of whisky that might be brought into localities in contravention of the law. That was the paramount factor, I believe, that influenced the mind of the provincial legislatures in passing the necessary legislation to bring into being a provincial force.

Mr. KNOWLES: Is it not the case in Alberta, as it is in Saskatchewan, that the provincial Governments appointed their own police to enforce liquor legislation?

Mr. R. B. BENNETT: In our province no force had been created especially for that purpose up to the time the new force came into being, but I am aware that in Saskatchewan they did find it necessary to appoint such officers to give effect to the prohibitory legislation. Nevertheless, large duties were still cast on the mounted police and I remember seeing communications that came from some of them, objecting to that course being followed, because they thought it placed them in an invidious position and lessened the authority with which they could maintain respect for law and order in districts newly settled by those who came from foreign countries. I think that, on investigation, my hon. friend will find that most of the mounted police in the West are pretty active, and that those who are not so are at least men of non-military age. I have in mind now the case of several men who are over fifty, who have been unable to leave the force, but they will be allowed to leave this year. They have been over twenty years in the force and are entitled to a pension. I have always felt that it was a very great mistake to dissociate the maintenance of law and order in the provinces from the mounted police, except with respect to the liquor traffic, and I had always hoped that we might be able ultimately to absorb the forces in the provinces. For the great traditions that lie behind that force give it an incomparable place, it seems to me, in the life of the country; the scarlet uniform of these men—and it is the only scarlet uniform left in Canada, or that you see at least in days like these —impresses the newcomer to our land as no other thing can, in converting him to the idea that however new may be the country and however sparse the population, reverence for constituted authority and respect for the law will be maintained at any cost. Just this week a trial is proceeding at Edmonton of two Eskimo charged with murdering two priests. These men have been brought thousands of miles to Edmonton with infinite toil and at no small expense by the Royal Northwest Mounted Police to answer for an offence wi'h resepect to which there was little evidence, but which they have been able to unravel after months and months of weary toil.

Mr. KNOWLES: I wish to explain what I said. I was not making any criticism because the change was made some months ago. I have no doubt it was done in good faith. I said the problem existed; I did not pass an opinion on it. My hon. friend says that his experience is different from mine as to whether the men are busy or not. I do not earmark my information as applying to Moosejaw only, for I have been

in a number of towns and cities in western Canada and I distinctly remember at the moment a city in Saskatchewan where an old-time friend of mine, a couple of months ago when I was there, was talking to me about the change and wishing the old days were back again, because now he had nothing at all to do. He happens to be between forty-five and fifty years of age. But my experience in different places has been that the police have very little to do and do not like it. If what my hon. friend from Calgary (Mr. R. B. Bennett) throws out as a suggestion is correct, namely, that they have added duties because of the existence of aliens in our midst, it would be only right for the Government to tell us so as part of their explanation, rather than leave that to be suggested by the hon. member. During all these years this force has been doing the great work of policing the prairies, and now that that work is not laid on their shoulders, it necessarily follows that they cannot be as busy as they were before. If you have one hundred per cent as many men and remove seventy-five per cent of the work, your men are not going to be busy. There is no need of my saying I concur in all my hon. friend has said as to the good work the mounted police have done. That is not the question. The fact remains we are very much in need of man-power, and we have 800 of the most stalwart, the more ready, the best trained and most hardy men in the country, and I submit there is not sufficient work to keep them busy at present.

Mr. OLIVER: I think I will have to go a little further than any of the speakers have yet gone in discussing this vote. There are two sides to this question of the mounted Police in the West; one is sentimental, the other practical. I might be considered to be exaggerating if I said that the sentimental side is more important than the practical side. All my hon. friend from Calgary has said in that connection is true and more than true. This force has been identified with the development, the settlement, the progress and the maintenance of law and order in the Northwest ever since 1874. It has been looked upon by the people as an institution in that country, and as one of the institutions upon which they could absolutely rely, upon which they were always able to depend. When that institution has been taken away, and set aside as though it were a broken can, it strikes the people of the West very strangely. It hurts their feelings to think that this institution which has existed so long should be set aside simply by the turn of a hand, without any reason being given to the public, and winout any sufficient reason being given to Parliament. It impresses upon them the idea of a disregard of conditions in that country on the part of those in authority—a disregard of the responsibilities which rest upon them in the administration of affairs.

The practical side is that we are called upon to vote one and a half million dollars, a quarter of a million dollars more than we voted in past years, for the maintenance of a force which is not now employed in the work for which it was instituted. These are times when we are short of both men and money. My hon. friend from Mosejaw (Mr. Knowles) has drawn attention to the fact that we need man-power both in Canada and on the fighting line, and if we can afford to withdraw the Mounted Police force from the work which they have done for so many years we can afford to employ them in something more useful than the work in which they are employed now. A burden has been thrown upon the Provincial Governments by this action. They have been compelled to provide police administration which they formerly received through the mounted police, and for which they paid at a certain fixed rate. It is a fact, I think, that in the payment they made for the services of the mounted police, they had the best of the bargain from a financial point of view. It was thought advisable by the Dominion to have a force of men in that country under military discipline and control employed in maintaining law and order. Those men were engaged in that duty, and were fulfilling it last year surely as much as they are to-day. They were also providing for the requirements of the Provincial Governments in the administration of their laws. Why they should be withdrawn from that duty of assisting in the administration of the laws of the provinces, and still be maintained in the country, at an additional expense, is something that no man in the Northwest can understand from any point of view of good business either for the provinces or for the Dominion. The Provincial Governments did not want this change. They were satisfied with the arrangement that was in force with the Dominion Government. They were satisfied to pay their share of the upkeep of the mounted police and receive the services of those police as they were being rendered. I am informed it was a shock to those

governments when they were notified that they would have to make provision for the maintenance of law and order in their respective provinces. They were compelled to enlist other able-bodied men, suitable for work in civil life—or, indeed, suitable for service at the front—in order to carry out the duties from which mounted police were withdrawn. The transaction seems to me to be as indescribable as it is unaccountable—that the provinces and the country should have an additional burden imposed upon them by the withdrawal of an efficient, able-bodied and ample force from their previous duties and assigned to other duties, or not assigned to any duties at all.

I have not any information in regard to the circumstances or reports the Prime Minister has suggested to the House he had received as to the need of withdrawing these men from the performance of the duties in which they were engegad—that is, that there was a certain possibility of danger. The change of status of the force has not reduced their numbers; nor did it increase their efficiency in any way that I can see. They were there before, and they are there yet. They cost the country more now than they did before. The only difference is they are not now performing the duties they performed formerly, and other men have to be hired and paid for this work. The suggestion that there was a possibility of difficulty coming from the United States is, to my mind, absurd on the face of it—and I say this with all due respect to all parties concerned. If there was any danger at any time, it was when the war broke out, and during the succeeding months there may have been very good reason for strengthening the forces in 1914 and 1915; but when the position of the United States having become settled, I cannot admit there was any reason, or any evidence of any reason, or any foundation for any reason, for doing so in the latter end of 1916. I cannot admit that such a condition of affairs existed as would warrant the withdrawal of these men from the useful work they were performing and the assigning of them to positions in which they did not have useful work to perform, thereby requiring the province to hire other men to perform that useful work. The hon. member for Calgary has spoken of the undesirability of this force being called upon to enforce the Liquor Act. They did not, as a matter of fact, take the responsibility on themselves of enforcing the Liquor Act. There was nothing to gain or lose in that. There was no difference in the arrangement. They had not enforced the Liquor Acts that were in vogue up to 1916 and they were not called upon to enforce those that were in vogue in 1917. If there is any question about that I might say that I was a resident of the Northwest Territories almost from the advent of the Mounted Police, and during the years when the great business of the police was the enforcement of the then drastic liquor law, and there never was a time in the brilliant history of the force when they stood as high in public esteem as they did then.

Mr. R. B. BENNETT: There was no provincial organization or authority then. It was a federal liquor Act that they were enforcing.

Mr. OLIVER: It was a federal liquor Act, but the administration of the law did not in any way derogate from the authority or prestige of the force at that time. So that, any ground of that kind that is brought forward in support of the action taken by the Government in regard to this force is without justification from any point of view. I repeat what I said in the beginning, that it is the sentimental side that strikes the people of the Northwest even more than the practical side, something that hon. members of this House may not be aware of. But, dealing only with the practical side, I have been unable to find any reason for the action that has been taken and I am here to take the responsibility of absolutely condemning that action.

Sir ROBERT BORDEN: I may say that if this course had not been taken, and if any such event as was apprehended in the West had occurred, there would have been no one louder in his denunciation of the Government for its lack of foresight and precaution than the hon. gentleman who has just taken his seat. The course which I took was taken upon the recommendation of the commissioner and after very careful consideration with him and the military authorities. More than that, I submitted the reports which I had received to my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier), both because he was the leader of the Opposition and more particularly because he had for fifteen years been the head of the force which is now under my direction. He concurred entirely in the course which I proposed to adopt, and I took that course accordingly. Therefore, when my hon. friend suggests that there was not a shadow or a tittle of reason for taking it, he is condemning not only

myself, but his own leader, who, as I say, for fifteen years had charge of the force, and who was very intimately acquainted with the duties that it was called upon to perform. My hon. friend is mistaken in some respects. We had a formal notice from the Government of one of the provinces—the province of Alberta—that they did not purpose to continue this agreement. They gave us notice some months before the occasion on which the agreement was last renewed that they proposed to establish their own police force, and that they would not continue the agreement. It is perfectly true that after that they did reconsider the matter, and, following the example of Saskatchewan, they did enter into a further agreement for a limited term. But it was perfectly evident that in both the provinces of Saskatchewan and Alberta there was an intention of creating a provincial police force and declining to continue further the arrangement which had been made between these provinces and the Federal Government for certain subsidies for the maintenance of the force. It is also perfectly true that from one of these provinces at least the commissioner received notice that the force were expected to undertake the enforcement of the enactments respecting the use of spirituous liquor. My hon. friend is not accurate when he says that no such proposal was ever made. The proposal was made and made in writing. I remember perfectly well having seen it. The demand was communicated in writing to the Commissioner of the Northwest Mounted Police.

Mr. OLIVER: That they should enforce the Liquor Act?

Sir ROBERT BORDEN: That they should undertake the enforcement of the Liquor Act. The commissioner had that in mind in connection with the other considerations to which I have alluded. In his opinion it was desirable and necessary that the services of the force should be reserved for purely Federal purposes under the conditions which obtained and which still continue.

Mr. OLIVER: In regard to this danger which is supposed to have existed, the Prime Minister says that he has the authority of the commissioner of the police to say that there was such a dangerous condition as to call for the withdrawal of the mounted police from the performance of police duties. I would have to characterize the suggestion of the commissioner, with more or less respect, as being absurd, from the fact that from the outbreak of the war in 1914 until the present time, or quite recently, there have been thousands of men under arms in the Northwest Territories continuously, and whether there were a thousand mounted policemen doing police duties or not, doing police duties did not make any difference in the absolute power of the military forces of the West to resist any aggression from any source from which it might come.

Sir ROBERT BORDEN: I can tell my hon. friend that his suggestion in that regard is not at all new. All these suggestions had careful consideration. A proposition that one battalion should be assigned from time to time to patrol work while in course of training was taken up but it was declared by the military authorities who were consulted to be absolutely impracticable for reasons which I could very well state if it were necessary to do so.

Mr. KNOWLES: Would the minister be good enough to communicate to the House any information which he receives from Commissioner Perry, or any other official, as to whether it is not possible to make some profitable use of the energies of the police force in some other direction?

Sir ROBERT BORDEN: I shall be very glad to communicate any such information as I receive it.

Mr. OLIVER: I would like to ask if the right hon. gentleman has the correspondence between the Provincial Governments and the Dominion Government with regard to the withdrawal of the police force and replacing it with the civil force?

Sir ROBERT BORDEN: I cannot recall that there is any correspondence. The negotiations were carried on by the commissioner himself with the Governments of Alberta and Saskatchewan and, I think also, with the Government of Manitoba although I am not absolutely sure as to that.

Mr. OLIVER: At what date would that agreement have expired?

Sir ROBERT BORDEN: I should think, in two or three years.

Mr. OLIVER: It would not have terminated within a very short period?

Sir ROBERT BORDEN: No, it had a substantial period to run.

Mr. OLIVER: In fact it had only recently been made.

Sir ROBERT BORDEN: I think it was made two years before, or more, and was for five years.

Arts and Agriculture—for the eradication or control of the white pine blister rust, $25,000.

Mr. BURRELL: This vote covers the expenses in connection with the attempt at eradication and control of a very bad fungus disease threatening the life of the white pine in Canada. Early this spring the United States authorities became alarmed at the spread of this disease and we discovered its infection in Canada and realized that the $200,000,000 worth of white pine left in Canada would probably be destroyed unless we could control this pest. We therefore entered into arrangements to co-operate with the United States authorities and the Provincial Governments of Quebec and Ontario, where the infection has occurred. We appointed Mr. McCubbin, one of our plant pathologists who had studied the disease for some years, to take charge in Ontario and make a general survey. There is some infestation, principally in the Niagara district. The disease was introduced through pine seedlings imported from Germany. The authorities on this continent were not aware that the disease was very general in Germany, in fact all throughout Europe, and that the American white pine cannot be successfully grown there on account of it. The European pines have apparently become immune to the disease. The fungus spends a portion of its life cycle on the red and black gooseberry and the raspberry plants. The measures necessary to eradicate the disease, apart from the general survey to watch for its appearance in different localities, include the destruction of infested trees and the cutting out of current and raspberry bushes on which the spores are found during June and July. It will be necessary to follow up each of the shipments of these pine seedlings and to watch the plants.

5 p.m.

Mr. SINCLAIR: As the forests of Ontario are owned and administered by the province, why does the Dominion assume the duty of eradicating this pest?

Mr. BURRELL: There is some strength in that argument, but if it were carried out in all matters we would have to stop our work in connection with plant pathology. As a matter of fact, we have practically the only men who are skilled in these matters and the provinces are very glad to have us co-operate in them.

Mr. KNOWLES: Where is Mr. Gussow now, formerly chief botanist?

Mr. BURRELL: Mr. Gussow is now doing some botanical work in the laboratory in connection with the Central Experimental Farm. It was felt that a civil servant of German nationality who had not become naturalized in Canada should not occupy the position of chief botanist, which would involve his travelling all over Canada. This gentleman was appointed by my predecessor, the Hon. Sydney Fisher, about eight years ago and is a very skilled man. He has a wife and five small children, and for humanitarian reasons, although many have taken the view that he should be dismissed, his services were retained in the position I have mentioned. As a matter of fact he has been offered a position in one of the southern universities and I have told him that we shall raise no objection to his accepting it.

Arts and Agriculture—for the purchase of seed grain, Governor General's warrant, $500,000.

Mr. BURRELL: This is to repay the Governor General's warrant which was advanced. I think that, altogether, $1,200,000 was advanced, all of which has now been repaid and has gone into the hands of the Receiver General. We have been entirely repaid and have a little to the good, and have also a considerable number of bushels of oats still on hand. We thought of disposing of these oats but came to the conclusion that it might be well to hold them over, considering the character of the oat crop in the West, until next year. We bought, cleaned, bagged and sold nearly 1,000,000 bushels of wheat and oats—largely wheat.

Mr. OLIVER: When and where?

Mr. BURRELL: Practically the whole of the wheat was sold in Manitoba, Saskatchewan and Alberta. It was distributed among municipalities, farmers' organizations and farmers who chose to pay for it in carload lots. We have received a large number of letters from municipalities expressing their appreciation of the action taken by the department in this respect last year

Mr. OLIVER: Was that the season of 1916?

Mr. BURRELL: The spring season of 1917. The action was taken chiefly because the ravages of wheat rust last year, together with the conditions affecting frozen grain in some districts, were such that about thirty municipalities were afraid that they

would not be able to get any seed grain at all. Machinery was put in force under provincial statute enabling the municipality to advance money on behalf of the farmer who could not afford to pay. We sold to the municipalities about 600,000 bushels of grain.

Mr. MACDONALD: Was there not a vote last year for the purpose of purchasing seed grain?

Mr. BURRELL: No, that was in connection with a different matter altogether. This action was taken for the purpose of selling high-class seed to farmers who might not otherwise be able to get it.

Mr. OLIVER: Has this money been almost entirely repaid by the farmers?

Mr. BURRELL: The whole of it has been repaid.

Mr. KNOWLES: Was it done in the same way that the seed grain was distributed in former years, by taking a lease on the land?

Mr. BURRELL: No. Our expert officers bought the seed; it was re-cleaned, bagged and made ready for sale to municipalities and farmers.

Mr. SINCLAIR: Why was it necessary to advance this sum of money by Governor General's warrant? It seems to me that this was an extraordinary step to take, especially when Parliament was in session.

Mr. BURRELL: My recollection is that this action was taken either during the recess or before Parliament met. I think that it must have been during the recess.

Mr. SINCLAIR: It seems to me that Governor General's warrants are resorted to with very little provocation in these times.

Mr. KNOWLES: Is this a new expenditure, or is it supplementary to an insufficient vote made last year?

Mr. BURRELL: It is absolutely new work, never undertaken before.

Mr. KNOWLES: Parliament remained in session last year up to a time that must have been subsequent to the activity of the farmers in getting seed grain ready.

Mr. BURRELL: I am sorry that I cannot give the exact date. I hope that my hon. friend has not any suspicion in connection with this matter, because we have an absolutely clear record in it. The conditions were such that it was very desirable, especially in these times of needed production, that the farmers in the West should have a

supply of first-class seed. There must have been some obvious reason for getting the Governor General's warrant; otherwise we should gladly have come to Parliament for the money.

Mr. OLIVER: How did the minister buy the $1,500,000 worth of grain if he had only $500,000?

Mr. BURRELL: As fast as we bought grain and sold it, the money was turned in.

Mr. COPP: Was this grain supplied generally throughout Canada, or only throughout the West?

Mr. BURRELL: The provisions for its distribution were applicable everywhere, but only oats were taken in the East. Something like 200,000 bushels of No. 1 grade oats were shipped from the West on order by carload lots to Governmental authorities, municipalities, individual farmers or dealers.

Mr. KNOWLES: How much is now on hand?

Mr. BURRELL: I cannot give the exact figure; I think about 40,000 or 50,000 bushels.

Mr. SINCLAIR: Where is it?

Mr. BURRELL: In the Government elevators in the West.

Mr. KNOWLES: Where was it bought?

Mr. BURRELL: It was bought through the Seed Purchasing Commission, the details respecting which I laid on the Table when the main estimates were under consideration. This commission was composed largely of our own expert officers in the seed department.

Mr. KNOWLES: In the multiplicity of commissions, this one may have got lost. Personally, I never heard of this Seed Purchasing Commission. Will the minister tell us something about it?

Mr. BURRELL: Mr. Wilson was at the head of the commission; he is a very well known man in the West. The grain was bought all over the country, wherever the best grain could be secured under the best terms. It was sent to the Government elevators, cleaned and bagged; then it awaited orders from different municipalities and farmers.

Mr. KNOWLES: Was it bought in the prairie West?

Mr .BURRELL: Altogether in the West.

Mr. KNOWLES: From individual farmers?

Mr. BURRELL: Yes, or from elevators—from all the sources from which grain is usually obtained.

Mr. KNOWLES: Under what rules, instructions or limitations was it bought? To what extent was the public given information that supplies of wheat and oats were desired for this purpose?

Mr. BURRELL: The whole western country was thoroughly apprised, through the press and through circulars, of all the proceedings of the commission.

I am pretty sure that amongst grain men in the West, they were pretty thoroughly known. I am sorry I did not give my hon. friend the satisfaction of seeing the bunch of letters we received from various municipalities in the West expressing the utmost gratification at the benefits derived from this whole transaction. One letter, which went into the whole matter, was signed by the secretary of the Saskatchewan Grain Growers. If my hon. friend is really interested, I shall be glad to get from the department a complete report of the transaction.

Mr. KNOWLES: How many bushels of wheat and how many bushels of oats did the commissioners buy in all?

Mr. BURRELL: Between 600,000 and 700,000 bushels of wheat, and between 200,000 and 300,000 bushels of oats.

Mr. KNOWLES: They paid money for the grain and then they would sell it and use the same money over again?

Mr. BURRELL: Yes.

Mr. KNOWLES: The money did not go into the Consolidated Revenue Fund of Canada.

Mr. BURRELL: It went in as fast as necessary. All the money has been paid back.

Mr. KNOWLES: The money received from the sale of this wheat did not go into the Consolidated Revenue Fund?

Mr. BURRELL: It went into the hands of the Receiver General.

Mr. KNOWLES: I thought the minister told the hon. member for Edmonton (Mr. Oliver) a moment ago that a large sum of money was not needed, because the commissioners used the money as they went along.

Mr. BURRELL: I will not be positive as to the details, whichever way the money went, whether enough was got from time to time in order to buy grain, and then as the wheat was sold, all the money went to the Receiver General, or whether a portion was used again as the transaction went on.

Mr. KNOWLES: Of course, $500,000 is not anything like sufficient pay for 600,000 bushels of wheat, and 200,000 or 300,000 bushels of oats.

Mr. BURRELL: About $1,200,000 was used altogether.

Mr. KNOWLES: We are voting half a million. Was there a former vote?

Mr. BURRELL: I will not speak positively about that at the present moment.

Mr. KNOWLES: We cannot honestly and conscientiously pass these Estimates until we know whether this is the whole appropriation or not.

Mr. BURRELL: If my hon. friend wants to let the item stand, all right.

Mr. KNOWLES: I do not want to dictate as to whether the item should stand or not.

Mr. OLIVER: If the minister can buy $1,200,000 worth of grain with $500,000, the sooner he is made Minister of Finance the better.

Mr. BURRELL: I did not say that.

Mr. MACDONALD: I can understand the Government entering upon a project of dealing in seed in cases in which there is a shortage or some particular necessity, but apparently the situation is this: The Government went into various parts of the Northwest and purchased seed grain, had it cleaned, and then sold it again. That may be a good thing to do, but why could not that matter be left to private enterprise? Is the Government going into the seed business in normal times throughout this country? Usually intervention of a Government in regard to matters of that kind arises when there is some peculiar local necessity. Here the minister admits frankly that there was no necessity. There is no reason why the individual farmer could not buy the grain in the Northwest just as well as the Government could buy it. If my hon. friend were introducing some new kind of seed from some other part of the world I could understand the reason for the intervention, but upon what possible basis are we going to have, in perfectly

normal times, the Government turning aside and engaging in what is purely mercantile business?

Mr. BURRELL: I am glad my hon. friend thinks times are entirely normal, and that they do not justify action. The action we took is justified to this extent, that it has met with the most widespread gratification throughout the country affected, and even through the East, to such an extent that in Quebec Premier Sir Lomer Gouin was exceedingly anxious to avail himself of this opportunity in his province because the farmers there were very short of good seed. Unfortunately, he applied a little too late, and the only way in which I could help them out was to get the Purchasing Wheat Export Company to release some of the best of their grain in the Montreal elevators. The circumstances were not normal. In 1916, we had lost at least $100,000,000 worth of wheat by the wheat rust of the West. Western members, of course, know these facts. The result was that in at least thirty municipalities there was danger of the farmers not being able to get any good seed. It is true they could have secured it through private parties, but we thought the national situation was grave enough, with the absolute necessity of getting every ounce of production we could, for the Government to step in and, in this way through the expert officials of the department to secure, by purchase and resale, the very best class of seed that those people could have. With all due deference to my hon. friend I must say that, although it is not usually good policy for a government to go in and do these things, the conditions existing at that time justified the Government in stepping in and taking that action.

Mr. SINCLAIR: The minister has not yet told us whether the bills for the purchase of this grain are paid through the Finance Department or how they are paid. It would be a very objectionable matter if they were paid without reference to the official course through the Finance Department.

Mr. BURRELL: The matter is all arranged through the Finance Department.

Mr. SINCLAIR: I understood from the discussion that the minister was a little uncertain as to how the business was really done—where the money goes when it is paid in by the farmers or who keeps the accounts. I trust the minister understands how those matters are handled.

Mr. BURRELL: Yes.

[Mr. Macdonald.]

Mr. SINCLAIR: What is the minister's policy for the future? Is it intended that there shall be a regular distribution each spring to the farmers of Canada, and will it be open in all the provinces for the farmers to come to the minister for their seed if they find that more convenient than buying in the usual way? If we are to understand that there was not an emergency, we want to know what is to happen next year, and what is to be done with the 50,000 bushels we have on hand.

Mr. BURRELL: I would not like to lay down, at this particular moment, what might be the policy for the future. So far it has been open to farmers of other provinces to avail themselves of this opportunity of buying seed grain. I have already explained that it was open last year, and a large amount of oats was shipped to the eastern provinces because those provinces were short of the best seed oats. The policy is sufficiently justified by its results to be continued, especially at a time like this when war is on and when the production of grain is of such vital importance. Anything that can help the farmers to get first-class seed grain at a moderate price in order to ensure a fuller crop would go a long way towards justifying the Government to do what they would probably not do under normal circumstances.

Mr. MACDONALD: How does a farmer in an eastern province apply when he wants to purchase seed grain from the Government?

Mr. BURRELL: Last year notices were put in the press giving the particulars. The applications were made to the Seed Department, and we kept in touch with the Seed Purchasing Commission constantly as to what stores were on hand and what the transportation facilities were. Very full publicity was given to the whole matter.

Mr. KNOWLES: I do not think this item should go through. We are without information on nearly every point. To start with, we find a very abnormal condition of affairs in regard to the use of the Governor General's warrants.

There has been no explanation why the transaction was effected in that way, and I think the committee should have an explanation before we are asked to ratify it —it goes without saying that before we ratify an unusual proceeding we should know why it was done in an unusual way.

The minister says that we do not cast any reflections upon him. Of course we do not, but it does not necessarily follow, because we have every confidence in him personally, that everything in his management of public affairs was done in the best interests of the public. For instance, there was a most unfortunate condition of affairs in connection with the administration of the Seed Grain Act in former years. The Government, under the Minister of the Interior, set out to get the farmers seed grain at $1.50 a bushel. It was sent out to all the different villages and some of them refused it; they would not allow it into the settlement because it had so many weeds.

Mr. ROCHE: That is not quite in accordance with the facts.

Mr. KNOWLES: It is true in one case to my knowledge. There are whole districts out West in which the farmers hold up their hands in distress because the homesteads on which they had worked so diligently are now full of dirty weeds. I do not blame the minister for that, but I am saying that we should have more information about these matters before we vote the money; otherwise, we might as well vote the money in blank. I may say that I never saw as poor a crop of oats as this year. I do not say it is the minister's fault.

Mr. BURRELL: The hon. member surely does not put that down to me?

Mr. KNOWLES: It may be due to something else, but still it may be due to rotten seed. I think this item should stand for further information.

Mr. MACDONALD: The House is certainly entitled to information as to what the Government paid with the seed, what they received back, and what the cost of depreciation was. Was any profit made upon this transaction, or was any profit sought? What was the cost of organization? These are natural and reasonable questions to ask in connection with a transaction involving the expenditure of this large amount of money.

Mr. BURRELL: We have not got all those details yet, as the whole thing has not been cleaned up. But I am in a position to say this: so far as the Government is concerned, we have actually made a little on the transaction, not that we wanted to make anything out of it, but by virtue of the fact of purchase and sale and the differences in markets, we have repaid every cent of the money and have a balance in hand at the present time.

Mr. MACDONALD: I have asked the minister for information on certain points. Why does he not proceed to tell the committee on what basis these goods were bought and on what basis they were sold, and whether they were sold at a figure to cover the cost of purchase, cleaning and a profit besides?

Mr. BURRELL: They were sold at the cost of purchase, re-cleaning, bagging and shipping. No profit, of course, was made.

Mr. KNOWLES: Evidently the minister does not agree to let the item stand. I think it is an unfortunate position to put us in. I do not think we should have to ask that the item stand. It is only reasonable that the Government should be willing to give an explanation of these matters, even without it being asked for. The fact of the minister not agreeing to my suggestion that we should have fuller information before passing this vote is not at all to his credit. He says there is nothing to suppress. I do not say there is, but let us have all this information. The session will not be over for some days, possibly weeks, and there is no reason in the world why we should not be given this information.

Mr. BURRELL: I think my hon. friend has misstated me entirely. I have not the slightest objection to allowing the item to stand.

Mr. KNOWLES: Do you not think it is a reasonable request?

Mr. BURRELL: I am not disputing it. I have tried to give, and I think I have given, a fairly good explanation of the whole subject. As to giving all the details of the purchase and sale of this wheat, my hon. friend could not expect that information this afternoon, because I did not know this matter was coming up. I did not come here prepared with a lot of details, and my officers cannot be got. This subject could have been discussed pretty fully on my own Estimates when the seed vote was put through. I had a lot of information at that time, but I have not got it now, and I regret I am unable to get it. I have no objection to allowing the item to stand. I am always ready to give the fullest information on this or any other subject connected with my department. I do not care how much publicity we get; the more the better, as far as I am concerned.

Item stands.

Experimental Farms—Maintenance of Central Farm and establishment and maintenance of additional branch stations—further amount required, $40,000.

Mr. BURRELL: This vote is very largely in connection with the publications. We did not put a sufficient amount in the Main Estimates, as sufficient allowance was not made for the extension of the work this year. We have 300,000 names on our publication lists, and owing to the war and owing to the production campaign, which has been carried forward very vigorously this year, owing also to the decision to issue some special and rather expensive bulletins in connection with wheat rust and one or two other matters, we thought it advisable to put in this amount of $40,000, which we think will cover the expenditure.

Mr. MURPHY: Would the minister inform the committee generally as to the sale of products from the Central Experimental Farm and whether there is realized from the sale of the products of the farm each year a sum sufficient, or approximately sufficient to defray the expenses of the farm? There is some public curiosity on this point.

Mr. BURRELL: I do not know how the sales of the farm will compare this year with other years, but speaking generally, my hon. friend will understand that no experimental farm in the world could pay by the sale of its products for the operation of the farm, because these articles that are sold are only a sort of by-product. The object of an experimental farm, of course, is not to grow stuff for the market, but to carry on perhaps five hundred different experiments out of which perhaps only one or two would be of any commercial profit at all. I am sorry I cannot give anything like an approximate estimate of what was sold at the farm, or as to what proportion it would bear towards the general expenditure of the farm, but speaking offhand, it would be a very small percentage. The money goes, of course, to the Receiver General.

Mr. MURPHY: There is a good deal of stuff sold?

Mr. BURRELL: Oh yes. We have been experimenting, for instance, in the manufacture of certain types of cream cheese and things like that. In regard to cattle, the milk has to be used.

Mr. MURPHY: Fruit, in the same way?

Mr. BURRELL: Yes. I am sorry I cannot give the details.

[Mr. Burrell.]

Mr. SINCLAIR: What is the location of the additional branch stations that the minister proposes to establish?

Mr. BURRELL: We are not establishing them. This vote is very largely in connection with our publications, which we have enormously increased. This year we have issued something like 3,000,000 publications altogether. The publications vote is always a pretty heavy one.

Mr. SINCLAIR: The item is improperly placed in these Estimates then? There is nothing here about publications.

Mr. BURRELL: The whole vote goes in in that way. I am simply carrying out the practice that has always been followed. This vote covers all the operations of the farm, including publications and everything else. It is then subdivided in the Estimates and taken up more or less in detail.

Mr. MACDONALD: Would the minister explain what has been the cause of the delay in the receipt of the usual blue-books of the Experimental Farm, which in other years have always been available early in the session? A large number of my constituents are very much interested in these reports, and, we only got them about a week ago.

Mr. BURRELL: That is for the last fiscal year?

Mr. MACDONALD: Yes. It seems to me if the House had not been sitting we would not have had them at all for distribution among the members and consequently among our constituents.

Mr. BURRELL: I think my hon. friend will have to stir up the Printing Bureau. We get our reports out as fast as we can and they are got out in fairly good time. I am afraid I will have to transfer some responsibility to the Printing Bureau. I will make an inquiry about it.

Mr. COPP: Are there accounts kept in the Experimental Farms as to the crop of different grains, how much per acre is grown and so on? Is that all given in the report?

Mr. BURRELL: Yes.

Mr. COPP: And what becomes of it?

Mr. BURRELL: Yes.

Mr. GLASS: I would like to ask the minister if any satisfactory progress has been made in conection with the flax experiments during this year?

Mr. BURRELL: We are not in a position to give any details yet. I may say, however, we are making satisfactory progress.

Mr. GLASS: I understood samples of flax for fibre have been grown on the different Experimental Farms throughout the Dominion and that samples had been sent to the Experimental Farm here, to be tested out?

Mr. KNOWLES: I had never heard about the flax business before, and would like some information. For example, there is the problem of straw on the prairie farm. Recently there has been established at Moosejaw a plant which produces gas from straw revolutionizing the methods of heating. Inasmuch as the work of the Experimental farms is in the interest of the farmers, I have often thought it was unfortunate that the Government had not looked into this matter before. We have also the problem with regard to our flax straw. I presume that is why my hon. friend from East Middlesex (Mr. Glass) speaks of. If the department have been experimenting along these lines we would like to know it.

Mr. BURRELL: I am sorry I cannot give my hon. friend full information about it. We have been doing a good deal of work during the last year. There was quite a discussion amongst the flax growers of the different provinces—it started in Ontario, I believe—partly on account of the seed, but largely on account of the straw. As to the fibre industry, a great many difficulties have had to be faced, because in this country they have never been able to solve the problem of dew retting. This has been done in Europe, and in Russia. It is an open-air process, and the installation of tanks for dew retting is expensive. Comparatively little work has been done. As a result of representations made by the Flax Growers' Association and others interested, we appointed a man about a year ago and attached him to the Experimental Farms with the idea that he should give his whole attention to flax. We started growing different varieties of flax seed on the Experimental Farms. We have also entered into contracts in a small way with some of the farmers to grow flax. We are establishing some machinery and tanks and intend to experiment with it. We hope to see what developments may be made in a profitable way and to make a report this fall. There are climatic conditions here which are not met with in Europe, and which may make it more difficult for us. At the same time, I am convinced a great deal can be done.

Mr. OLIVER: Is the idea to utilize the fibre of the natural flax—to get both seed and fibre?

Mr. BURRELL: Yes.

Mr. OLIVER: And, under present process, when the seed is mature, the fibre is not in a condition to be used?

Mr. BURRELL: I am not positive about that. I would not like to enter into a technical discussion of it.

Mr. KNOWLES: Has the minister taken any interest in the question of using straw for the production of gas on the prairies?

Mr. BURRELL: We have not gone into it. It was done by the Canadian Pacific Railway, I think.

Mr. KNOWLES: The minister would find it worth his while to stop off and see it, any time he happens to be in Moosejaw. They have lately taken one of the professors from the Saskatchewan University, and he is giving all his time to it. The idea is, they draw the gases from the straw. This gas is used for lighting, heating and so on. If it can be worked out commercially, it would be worth a great deal of money.

Mr. SCHAFFNER: How successful are they?

Mr. KNOWLES: The results are very satisfactory. It has never yet been put on the market, but the owners of the invention have it working very satisfactorily. A load of straw will go very far in heating and lighting a farm house.

Mr. ROCHE: The by-products are sufficient to pay for the cost of manufacture.

Mr. KNOWLES: They are able to run machinery and so on from one little retort. They have not had sufficient money so far to put the thing on a commercial basis. They have often expressed the wish to me that members of the provincial Government, and especially members of the Federal Government, should go and visit the place.

Mr. SCHAFFNER: Have they tested out different kinds of straw?

Mr. KNOWLES: I cannot say as to that. When I was there they were always using wheat straw.

Mr. GLASS: I understand some of the most valuable experiments in the utilization of cereal straws have been conducted

by the Research Department of the Canadian Pacific Railway, under the direction of Dr. Harrison Howe. Dr. Howe attended the Flax Growers' Convention, which was held in London on March 31 and April 1, and read a very interesting paper on the utilization of straws generally in industry. When this department was established by the Canadian Pacific he was instructed to direct his energies along the line of the utilization of cereal straw in industry generally, but particularly the use of flax straw. I understand that in the West they have succeeded in producing a linen paper of very superior quality, the fibre for which can be produced from that straw on a commercially profitable basis. The idea is that pulp mills for the manufacture of this paper can be established throughout the West, and this pulp shipped to the mills to be manufactured into paper. I thought at one time, and I still think, that a department under such a capable firm as that of Little & Company, of Montreal, of whom Dr. Harrison Howe is chief, would facilitate matters and hurry along the experiments. We want to have the Department of Agriculture co-ordinated through efforts made by such men as Dr. Harrison Howe, and hasten the determination as to the ultimate success of the use of this straw.

My hon. friend will readily admit that if flax straw can be used in the manufacture of paper, and if it will produce a high-grade linen paper, surely it must produce a very much more valuable product for the country and one to which the department might give closer attention rather than directing their energies to producing a fuel from the material. At the Flax Convention in London it was shown that Mr. Howard Fraleigh, as a result of the experiment which he has carried on in the district of Forest, Lambton county, has been able to grow a very superior quality of hemp. His experiment in growing hemp on an area of five acres was so eminently successful as to indicate that people living in similar districts can grow an equally high-grade quality of hemp. The use of some 500 acres in that district has been volunteered by owners for the purpose of being seeded to hemp to show what can be produced. Howard Fraleigh's crop of hemp was said to be as fine as has been grown in any part of the world. It was of a very superior quality. As a result of the meeting up there a very large acreage will be devoted to the cultivation of flax. Howard Fraleigh is said to be the best flax expert in Canada or on the continent of North America. He has, by his own enterprise, conducted a series of experiments in tank retting and he has achieved very good results. He told me that last year the flax crop in his district produced fibre to the value of $200 an acre which was certainly a very creditable production. That flax was grown for fibre alone. Generally it is understood that where they grow flax for fibre the seed is regarded as a by-product. It does not amount to very much because they do not allow the flax to mature sufficiently to ripen the seed. But Mr. Fraleigh has been making these experiments and his success, I understand, is so well established that in so far as he is concerned the principle of dew retting has been entirely abandoned and he is confining himself on a large scale to tank retting. I think that a man of the enterprise and energy of Harold Howard Fraleigh might have the co-operation of the Department of Agriculture and be assisted in carrying out experiments of this kind. It has taken him two or three years to find out what would be found out with a great deal more despatch if encouragement were given to those who are devoting their energies to this enterprise. I was going to suggest to the minister that in any report of the flax fibre industry generally that may be issued by the department—and I speak of the flax fibre industry generally because it will include sisal and other things—it would be very interesting if we had incorporated in that report the results of the experiments of the department of reasearch of the Canadian Pacific Railway, because I think that in the Northwest Territories the experiments so far have produced results that are of enormous value to that western country. If we could have a report of what Harrison Howe has produced in connection with the flax fibre industry incorporated in our report it would be very useful and probably very helpful to the farmers in the West.

Progress reported.

On the motion of Sir Robert Borden, the House adjourned at 5.50 p.m.

Monday, August 20, 1917.

The House met at Three o'clock, the Speaker in the Chair.

HOUSE OF COMMONS.

PROPOSED INCREASES IN SALARIES TO PERMANENT MESSENGERS.

Mr. SPEAKER: I have the honour to present to the House my recommendation

and the report of the Clerk of the House in respect to the increases in salary to the permanent messengers of the House provided under the Civil Service Amendment Act, 1917.

QUESTIONS.

(Questions answered orally are indicated by asterisks).

THOMAS MAGLADERY, M.L.A.

Mr. PROULX:

1. Did Thomas Magladery, M.L.A., for Timiskaming, enlist in the Canadian Expeditionary Forces?
2. If so, when, where, and by whom was he medically examined?
3. Did such examination show him to be physically fit for service?
4. What military rank did he hold when he enlisted, and what is his present rank?
5. What length of time did Mr. Magladery serve in the trenches, and between what dates?
6. At what rate per diem is he paid, and do any of his dependents draw separation allowance?
7. What amount has been paid to date on both accounts?

Sir EDWARD KEMP:

1. Yes.
2. Was examined on August 29, 1914, at New Liskeard, Ont., by J. G. McKie, M.D.
3. Yes.
4. Lieutenant.
5. He served in France with the 15th Battalion, C.E.F., from June 18, 1916, to November 5, 1916.
6. $4.10 per diem pay and allowances. Separation allowance to wife, $40 per month.
7. Pay and allowances, $2,829.95. Separation allowance, $960.

NATIONAL ORGANIZATION FOR WAR.

Mr. PROULX:

1. Have any copies of a pamphlet entitled "National Organization for War" been printed at the public expense?
2. If so, how many copies have been so printed, and how many distributed?
3. What amount, if any, has been or will be paid to Mr. Leacock in connection with the pamphlet mentioned?

Sir THOMAS WHITE:

1. Yes. By order of the National Service Board.
2. 200,000 copies. All distributed.
3. No payment.

CANADIAN EXPEDITIONARY FORCE—FORMER OCCUPATIONS OF RECRUITS.

Mr. BUCHANAN:

1. Has any record been kept of the occupations of the men who enlisted in the Canadian Expeditionary Force?
2. If so, how many farmers have enlisted?
3. Of this number, how many came from the western provinces?

Sir EDWARD KEMP:

1. Yes, relating to men who have gone overseas.
2. 45,797, up to June 30, 1917.
3. 24,592.

WAR PURCHASING COMMISSION.

Mr. LANCTOT:

1. How many men, officers and employees of the War Purchasing Commission are of military age?
2. What are their names and respective salaries?
3. Who, if any, have military badges, and on what grounds in each case have they been granted?

Sir EDWARD KEMP:

1. Six.
2. Mr. Thomas Hilliard, $350 per month; Mr. W. S. Lecky, $275 per month; Mr. A. E. Howard, $250 per month; Mr. G. C. Gerow, $125 per month; Mr. G. Sims, $125 per month; Mr. F. E. Nodine, $110 per month.
3. None have military badges.

NATIONAL TRUST COMPANY.

Mr. LANCTOT:

1. Has Hon. Sir Thomas White been directly or indirectly owner of or interested in shares of the National Trust Company, Limited, since the 1st January, 1914?
2. If so, until what date?
3. Is he still owner or interested in said shares, and to what extent?

Sir THOMAS WHITE:

1. No.

2 and 3. Answered by reply to No. 1.

I may observe, in connection with this question, that the hon. gentleman seems to be inordinately curious as to my private affairs, but I have no objection to informing him that, when I was connected with the National Trust Company, my stock holding was ten shares, the amount necessary to qualify me as a director. My interest was not as a proprietor but as general manager.

DEPOSITS IN SAVINGS BANKS.

Mr. SINCLAIR:

1. What was the total amount on deposit in savings banks of all kinds in Canada on June 30, 1917?
2. How much was on deposit in Government savings banks at said date?

Sir THOMAS WHITE:

1. Approximately $998,856,922.61.
2. Dominion Government savings banks, $13,167,436.64. Post office savings banks, $41,105,644.92.

CAPTAIN KENNETH C. MACPHERSON.

Mr. PROULX:

Referring further to the answers of the Honourable the Minister of Militia and Defence

as reported at page 4592 of unrevised "Hansard" of Monday, August 13, 1917, relative to Captain Kenneth C. Macpherson:

1. How long was Captain Macpherson in England during his eleven months' absence overseas?

2. What portion of the said eleven months did Captain Macpherson spend in France, and what portion in Flanders?

Sir EDWARD KEMP:

1. Five months and one week.

2. Five months in Flanders, balance of three weeks at sea, travelling from Canada to England and return.

WAR PROFITS TAX AND INCOME TAX—COST OF COLLECTION.

Mr. KAY:

1. What has been the yearly cost to the country of the collection of the war profits tax?

2. What is the amount of the estimated yearly cost of the collection of the income tax?

Sir THOMAS WHITE:

1. For the portion of fiscal year ended March 31, 1917, during which the Act was under administration, the cost was $58,-174.81. Estimated annual cost, $150,000.

2. $600,000.

CANADIAN BANK OF COMMERCE.

Mr. LANCTOT:

1. Is Sir Joseph W. Flavelle, Chairman of the Imperial Munitions Board, owner of shares in the Canadian Bank of Commerce?

2. Is Sir A. E. Kemp, Minister of Militia in Canada, owner of shares in the Canadian Bank of Commerce?

3. Is Sir William Mackenzie, President of the Canadian Northern Railway, and a director of the National Trust Company, a shareholder in the Canadian Bank of Commerce?

4. Was the Canadian Bank of Commerce a subscriber to the bonds issued for $45,000,000 under the guarantee of the Canadian Government given in 1914, and to what extent?

5. What was the premium or commission paid to said bank for negotiating or keeping said bonds, has the bank disposed of them all, and what amount did the face value of said bonds represent?

6. Is the Canadian Bank of Commerce one of the pledgees referred to by the Minister of Finance in connection with the common shares of the Canadian Northern not actually in possession of the Canadian Government?

Sir THOMAS WHITE:

1. No information.

2. Yes. Number of shares held, 120.

3. No information.

4. No.

5. The bank was not employed as selling agent or as custodian of the bonds referred to.

6. Yes.

In connection with the answer to this question, the hon. member has upon two occasions made inquiry as to the holding

[Mr. Proulx.]

of the $45,000,000 Canadian Northern Railway 4 per cent bonds, guaranteed by the Dominion of Canada under chapter 20 of the Act of 1914 and Trust Deed of July 15, 1914. I desire to say, for the information of the hon. member and of the House, that, so far as I am aware, none of those bonds, except those which are held by the Dominion Government, are held in Canada. I place upon the Table, in connection with the reply to this question, a statement showing that, of those bonds, $12,500,000 par value were pledged to the Dominion Government as security against advances of Dominion notes to the amount of $10,000,-000. That was in 1914. There were sold in London through Messrs. Lazard Brothers and Company in July, 1914, £3,000,000 at a net price to the company of 91½, that is to say, for $14,600,000. There were sold in London through Messrs. Lazard Brothers and Company in February, 1915, £500,000 at a net price to the company of 91 plus accrued interest, making $2,433,333.33. There were pledged to the Columbia Trust Company, New York, as security for a note issue of the Canadian Northern Railway Company of $11,500,000; $15,333,333.34, making the total amount of the issue disposed of, $44,866,666.67, leaving a balance of $133,333.33 still at the disposal of the company. All the bonds were sold outside of Canada. This is the statement:

August 20, 1917.

Statement re authorized issue of $45,000,000 Canadian Northern Railway 4 per cent bonds, guaranteed by the Dominion of Canada under Chapter 20 of the Acts of 1914 and Trust Deed of July 15, 1914.

Pledged to the Dominion Government against advances of Dominion notes to the amount of $10,000,000, August to December, 1914	$12,500,000.00
Sold in London, through Messrs. Lazard Brothers & Company, July, 1914, £3,000,000—at a net price to the company of 91½	$14,600,000.00
Sold in London, through Messrs. Lazard Brothers & Company, February, 1915, £500,000—at a net price to the company of 91 plus accrued interest	$ 2,433,333.33
Pledged to the Columbia Trust Company, New York, as security for a note issue of the Canadian Northern Railway Company of $11,500,000	$15,333,333.34
Total amount of issue disposed of	$44,866,666.67

This leaves a balance of $133,333.33 still at the disposal of the company.

QUESTION PASSED AS ORDER FOR RETURN.

Mr. FORTIER:

1. Was Colonel Rev. Dr. A. E. Burke a chaplain in the Canadian Expeditionary Force?

2. If so, was he associated with one Rev. Dr. Roche in the editorship of the Catholic Register at Toronto?

3. Were reports made to the Government as to Rev. Dr. Roche's associations with Austrian enemies and with one Max Pam, of Chicago?

4. If so, did the Government take any steps in the matter?

5. Is the Government aware as to whether or not the said Dr. Roche left Canada at the outbreak of the war?

6. Since his appointment as chaplain in the Canadian Expeditionary Force, did the said Burke visit Chicago? If so, was his business there of an official character?

7. Is the Government aware as to whether or not he met the said Roche at or near Chicago?

8. Has the said Burke at any time since his appointment as chaplain been under surveillance by Dominion officials?

9. If so, were reports made to the Government, and will these reports, if any, be laid on the Table of the House?

10. Is the Government aware as to whether or not the said Burke visited Canada about the end of 1916 and in conjunction with a representative of the British diplomatic or secret service, made certain representations to the Government?

11. Is the said Burke now in Ottawa? If so, is the Government aware as to what he is doing?

MR. THOMAS J. PARKES.

Mr. EDMOND PROULX moved:

For a copy of all correspondence, letters, telegrams and other communications passed between the Government or any member thereof or the employees and officials of the Department of Militia and Defence or any other department, and one Thos. J. Parkes, insurance agent, of the city of Sherbrooke, province of Quebec, concerning the release or promotion of his two sons now on active service with the Canadian Expeditionary Forces.

Sir EDWARD KEMP: Would my hon. friend be good enough, before this motion passes, to supplement it with the Christian name of the person to whom he refers, the rank, the battalion number and the number of the soldier himself. It is almost impossible to find in the record the information asked for by my hon. friend unless he gives me the information for which I ask.

Motion stands.

WHEAT REGULATIONS.

On the Orders of the Day:

Hon. FRANK OLIVER (Edmonton): On Saturday I asked a question in the House relating to the Department of Trade and Commerce, during the minister's absence. Perhaps he will be good enough to answer it to-day.

Sir GEORGE FOSTER: I can perhaps best state the position by reading the orders that have been passed by the Board of Grain Supervisors for Canada. The first is as follows:

It is hereby ordered by the Board of Grain Supervisors for Canada that until the 31st of August, 1917, inclusive, the price of wheat, basis No. 1 Northern in store at public terminal elevators at Fort William and Port Arthur, shall not exceed nor be less than two dollars and forty cents ($2.40) per bushel. This applies to all wheat, whether of the old or of the new crop, in store in public terminal elevators at Fort William and Port Arthur up to and including August 31, 1917. Holders of warehouse receipts, which hold any date prior to and including August 31, 1917, will be entitled to the above basis price of $2.40 per bushel, No. 1 northern wheat, only on condition that they have sold the wheat at Fort William and Port Arthur and delivered the receipts therefor not later than noon of August 31, 1917.

Under the other order, trading in wheat for future delivery will cease on all grain exchanges in Canada on August 31.

Mr. OLIVER: Would the minister be good enough to state the reason for the order being made, and its expected probable effect?

Sir GEORGE FOSTER: I would rather my hon. friend put that question to-morrow, as communications are now under way with respect to the details.

Mr. OLIVER: I also drew the minister's attention on Saturday to what appears to be an inaccuracy in a statement he had previously given to the House in regard to the price of grain at Minneapolis. I thought it only fair to give him an opportunity to correct or explain the inaccuracy.

Sir GEORGE FOSTER: The figures I gave to the House were derived from actual transactions, and transactions in Canadian No. 1 Northern, so that eliminates all difficulties of comparison as to the difference in quality between Canadian No. 1 Northern and No. 1 Northern United States. On August 16, the following actual transaction took place: No. 1 Northern, to arrive in Minneapolis ten days thereafter—this sale was at $2 per bushel. On August 17, two other actual transactions took place as follows: No. 1 Northern, to arrive on the 25th of August, $2.20; loaded on cars in Canada $2.

I might also give Saturday's quotations at Winnipeg, Duluth and Minneapolis: No. 1 Northern cash wheat at Winnipeg, $2.40; at Minneapolis, cash wheat, $2.40 to $2.45. No. 2 Northern at Winnipeg, $2.40; at Minneapolis, $2.35 to $2.40. No. 3 Northern at Winnipeg, $2.40; at Minneapolis, $2.15 to $2.30. It will be noticed that on Saturday the three grades approximated in value

and reached the maximum price. In Duluth on the same day the price of No. 1 Northern was $2.40, and No. 2 Northern, $2.35. I could find no quotation for No. 3 Northern.

Mr. OLIVER: Might I point out that the quotations the minister has given for August 16 and 17, Minneapolis, are not quotations for cash wheat, but for future delivery.

Sir GEORGE FOSTER: That is correct.

PENSIONS TO CANADIANS IN IMPERIAL FORCES.

On the Orders of the Day:

Sir EDWARD KEMP: The hon. member for Pictou (Mr. Macdonald) asked a question on Saturday as to the pensions of members of the Canadian forces who had been transferred to the Imperial forces, and vice versa. So long as a soldier, non-commissioned officer, or officer continues to be a member of the Canadian Expeditionary Force, he is pensioned at the Canadian Expeditionary Force rate, but if he if he is transferred to the Imperial forces he loses his status as a member of the Canadian forces, and is therefore non-pensionable at Canadian Expeditionary Force rates.

This Order in Council relating to this subject was passed on January 30, 1917:

The Committee of the Privy Council have had before them a report, dated 24th January, 1917, from the Minister of Militia and Defence, stating that the terms of a proposal made by the British Government regarding pensions of officers or their dependents are as follows:

In case of those who have been lent for service in the field, each government shall undertake full pension liability for its own officers; that is to say in respect to the service of Canadian officers loaned to the British forces or British officers loaned to the Canadian forces in the field such service shall be treated so far as pensions are concerned as if it had been with the officer's own home forces.

The Minister submits that such proposal has been referred to the Canadian Board of Pension Commissioners which is in favour of its adoption.

A similar proposal was made by the Commonwealth of Australia in respect of the exchange of officers between their forces and the Imperial forces and has been adopted by both governments.

The Minister, therefore, recommends that the Order in Council of 13th October, 1916, providing "that Canada should bear her proportionate share of the service pension or widows' pension at the ordinary rate and in addition the excess of war over peace charges" be cancelled and that the later proposal of the British Government that each government should pay pensions of its own officers, irrespective of their service with the other, be adopted instead.

[Sir George Foster.]

The Committee concur in the foregoing recommendation and submit the same for approval.

EMPLOYMENT OF RETURNED SOLDIERS.

On the Orders of the Day:

Hon. WM. PUGSLEY (St. John City): Has the Minister of Militia received the resolution which I referred to some time ago which was passed by the Veterans' Association of St. John with regard to the employment of returned officers and soldiers to take the place of those now employed in a military capacity, but who have not been to the front? The minister stated at the time that he had not received the resolution, but that when it came to his hand, he would consider the matter and make an announcement later. I call his attention to the fact that there is quite a good ground for complaint, inasmuch as many positions are held by those who have not been to the front which might just as well be filled by returned soldiers.

Sir EDWARD KEMP: I cannot recall at the moment whether the resolution has ever reached the department, but I shall look into the matter.

THE MILITARY VOTERS' ACT, 1917.

SECOND READING OF BILL AND CONSIDERATION IN COMMITTEE.

Hon. C. J. DOHERTY (Minister of Justice) moved the second reading of Bill No. 127, The Military Voters' Act, 1917.

He said: Mr. Speaker, on the introduction of this Bill I went into a somewhat full exposition of its provisions. That exposition was, perhaps, fuller than it would otherwise have been because of questions put by members of the House who, naturally, were interested in having information on the subject at as early a moment as possible. The principle of the Bill is that our soldiers should be afforded an opportunity to vote in the coming election; that adequate provision should be made to enable them to register their vote, precautions, however, being taken to ensure the regularity, fairness and genuineness of that vote. I think we can safely assume that the principle of the Bill is not in question. I apprehend that any further discussion of the matter, which would be as to the method rather than as to the principle could be more conveniently dealt with in committee. I do not feel, therefore, that it is necessary for me at this stage to go over what I said on the introduction of the

Bill, or to elaborate argument with regard to the principle of the measure.

Hon. WILLIAM PUGSLEY (St. John): Mr. Speaker, I feel quite sure that all the members of the House approve the desire of the minister to give to our soldiers an opportunity of casting their vote. While every reasonable opportunity for their doing so should be afforded, it is necessary to surround with every safeguard the casting of the vote and the return of the ballots to Canada in order to make sure that the ballots finally counted shall be the ballots which were cast by the electors. Certain provisions which might well be inserted are absent from the Bill; but, as my hon. friend says, that is a matter which can be considered in committee. I should like, however, to take this opportunity of asking the minister if we are to assume, from the fact that women engaged in the expeditionary forces are to be allowed to vote, that during the present session a Bill will be introduced giving the women of Canada generally the right to vote. It would be somewhat anomalous to give this right only to those who serve in the expeditionary force; there should be one law dealing with women generally throughout Canada. Those women who have remained at home and have performed duties in connection with Red Cross and patriotic work generally in such manner as to call forth the admiration of the world are just as much entitled to recognition as those who have gone to the front in the capacity of nurses.

Mr. DOHERTY: I am not prepared at this moment to give a categorical answer to my hon. friend's question. In the preparation of this Bill we were looking at the whole subject with a view to seeing that the right to vote was conferred upon every person who had taken part in the active military service of the country. That being so, we did not, by reason of sex, exclude from the provisions of the Bill those women who were doing service with the Canadian Expeditionary Forces. My hon. friend speaks of that as being an anomalous condition. But if that is anomalous it would be equally anomalous to include expressly the Indian, who is excluded from the general voting because he is an Indian. Likewise, this measure makes no distinction of age; it does not require that the soldier who votes as a soldier should be of the full age. That, I suppose, might, according to my hon. friend, be subject to the same suggestion of being anomalous. The quality of having given active military service—service in any way connected with the military operations of this war—overrode other considerations. But that did not, we thought, imply that with regard to other persons those considerations should be overridden. We have been looking at the matter exclusively from the point of view of the military vote.

Mr. PUGSLEY: I am sorry that my hon. friend is not able to give an assurance that the inclusion of women in the provisions of this Bill is an indication that the Government intends to ask Parliament to extend the franchise to women generally. I am not prepared to say that I would favour the granting of the right of suffrage to women simply because they served with the Expeditionary Forces, unless that principle is to be applied also to a broader measure that would extend to all women of the country the right to vote.

It is provided by the Bill that any person, who has enlisted in the Canadian Expeditionary Forces, whether a resident of Canada or not, shall be entitled to vote at the next general election. I think that is going entirely too far; the right should be limited to those who have been residents of Canada. For instance, a British subject who is a resident of the United States, and who, because of his desire to engage in the war in the interests of the Empire, enlists, for the sake of convenience, with the Canadian Expeditionary Forces, would be entitled to vote as a Canadian elector. I do not see why that should be the case. I assume that such a man joins the Canadian Expeditionary Force because of a desire not to aid Canada but to aid the Empire. I am unable to understand why, simply because of that fact, he should be allowed to vote at a Canadian election. If he is a British subject resident in any other part of the Empire, he would have the right to vote in that portion of the Empire in which he is resident. The right to vote should be limited to those who have been residents of Canada. Section 3 of the Bill makes provision that if this class of voter is not able, by reason of non-residence, to select any particular district in which he is entitled to vote, he is allowed to select any district he pleases. That strikes me as being very objectionable. A British subject resident in the United States, never having resided in Canada, may select any district that he pleases, in any portion of the Dominion, in which his vote shall be cast. To my mind, very great in-

convenience and injustice would result from such a provision. I trust that on reflection my hon. friend will agree that the right to vote should be limited to those who have, even for a short period, been resident in Canada.

I would suggest also that my hon. friend amend the Bill to make it absolutely clear that an elector may vote only for one who has been nominated as a candidate.

The form of the ballot is calculated to mislead because it provides that the voter, if he desires to vote for any particular person, may write his name on the blank space. I presume the Act means any particular person who has been nominated as a candidate. I think the ballot paper should declare that he may vote for any particular person or persons who are named as candidates. The plural should be there, because there are some constituencies in Canada wherein more than one candidate may be chosen. In the city and county of St. John two candidates may be elected, and the same applies to the county of Halifax. I think, therefore, the ballot should provide that the voter may vote for "any particular candidate or candidates" instead of "any particular person or persons." The elector, seeing the language on the ballot paper, may presume that he would have the right to select some person whom he might like to vote for but who had not been nominated as a candidate. I think it is desirable to make the provision so clear that no misunderstanding shall arise with respect to it.

Mr. KNOWLES: I wish to ask the minister why it is not his intention to address the House explaining the principle of this Bill. We have our existing legislation, chapter 11 of the statutes of 1915, and the minister sees some points that he wants to improve upon, but instead of simply bringing down an amendment to the Act, he is bringing down a Bill dealing with the matter de novo and repealing the old Act. If the minister had proceeded by the other method, and bring down an amending Bill, he would have explained the principle of his amending Bill and pointed out the reason it was necessary to make these amendments before asking us to consent to the second reading. I submit that we should ask the minister to give us his reasons for this change, and that we should not merely regard it as sufficient for him to refer to the previous legislation. The new points should be dealt with.

[Mr. Pugsley.]

Mr. DOHERTY: On the introduction of the Bill, I went very fully into an explanation of the reasons which led us to believe that the provisions of the legislation of 1915, while they might have been adequate and practicable under the conditions that prevailed at that time, are hardly sufficient to meet the exigencies of the present day. There are two notable changes in the conditions, the first being the very much larger number of voters that have to be dealt with overseas than when the legislation of 1915 was passed. The other outstanding change of conditions results from the difficulty, and no doubt the danger, that surround the transportation between this country and the overseas countries at the present time which did not exist, at all events, in such degree when we were dealing with the legislation of 1915. I do not think there is any substantial difference in principle between the legislation of 1915 and this legislation. There is this marked difference of conditions which in our judgment, at all events, and I submit in the judgment of the House, calls for providing a different procedure in the taking of the soldier's vote. We might have proceeded by calling this an amending Bill, and attaching every change to some particular section as an amendment to it, but that would have been a very inconvenient way of doing it. It is clearer and simpler to put before the House, in the shape of a measure complete in itself, both what is preserved of the old Act and what is new in the present Bill. Beyond the changes in the method of taking the vote, there are the changes in regard to the persons who are to be qualified to vote; that is to say: we have included women. We will make no distinction based upon sex. We have also included minors; we make no distinction based on minority and majority, and although for clearness, I believe in the old Act Indians were included, we have expressly mentioned Indians in order to do away with any doubt.

Mr. KNOWLES: Does the minister not call it a new principle where he permits a soldier to ear-mark his vote for any constituency under certain circumstances?

Mr. DOHERTY: I respectfully submit that questions of this kind, although I would be very glad to answer them, are questions which would naturally come up in committee.

Mr. KNOWLES: I think it is a principle.

Mr. DOHERTY: I do not consider it a question of principle.

Mr. KNOWLES: There is not much principle about it.

Mr. OLIVER: I did not have the good fortune to be present when the minister made his explanation of the principle of the Bill and of the differences between this Bill and the present Act. May I be permitted to say that I think the proper time for making such a full explanation as the House is entitled to under such circumstances is upon the second reading of the Bill. However, the minister has seen fit to take the other course. The suggestion of my hon. friend from Moosejaw (Mr. Knowles) was not an objection to the form in which the Bill has been introduced. I think he would agree, as I would, that it would be very much better to introduce the Bill in this form than in the form of an amendment. But his point was, if I caught it aright, that the minister, seeing fit to introduce the Bill in this form, should make to the House the same explanation as to the differences in principle as he would necessarily have made had he introduced a Bill in amendment to the present Act. This is a long Bill, it is intricate in many respects and members will have considerable difficulty in comparing its provisions with those of the previous measure. Therefore, the House is rightly entitled to consideration at the hands of the minister. While we can deal with certain of these matters of detail in committee of the whole, we make up our minds as to the merits of the measure on the principles laid down in the discussion on the second reading. Those of us who had not the privilege of hearing the minister on the introduction of the Bill are hardly in a position to deal with the subject to-day as it should be dealt with. It is all the more impressed on my mind from the fact that repeatedly from the other side of the House, from the lips of the Prime Minister as well as, I think, other members, it has been stated that it was a practical impossibility to take the soldier's vote overseas.

That being the case, and a new measure being introduced, it is particularly in order that information should be given why if it was impossible to take the soldiers' vote under the existing measure, it will be possible to do so under the measure now introduced. This is a measure of very great and far-reaching importance. Everybody will agree that a citizen of Canada, entitled to vote in Canada, should be entitled to vote when he is serving Canada in a military capacity, although he may be outside its limits. So far as that principle is embodied in the Bill, certainly it will have the support of myself and, I am sure, of every hon. member of this House.

But there are other principles involved in a franchise Act besides the principle of providing for the casting of the vote. There are principles connected with ensuring that the vote shall be counted as it has been cast. There is the principle of the right of the several parties who are concerned in the voting to be sure that, first, the vote is cast secretly; second, that it is cast without pressure of fear or favour; and, third, that, having been so cast, it shall be counted as it was cast. I am unable to say whether these principles are provided for in the Bill, and I would say to the minister that I do not consider them details at all; I consider each one an essential principle. If they are not provided for in the Bill, there is a possibility that, instead of the privilege of the franchise being exercised as a right and a duty, the intention of the voter may be diverted from its proper purpose, and, instead of being of assistance in expressing the mind of the people of Canada, it may be a means of misdirecting the minds of the people. I can only hope that the minister, in the preparation of the Bill, has had these points in mind. I am not able to say whether they are properly safeguarded or not, as I have not had the opportunity to discuss the Bill, and in any case would not be able to form an opinion on these points without having the minister's explanation.

There is, however, one feature that I find in section 3 in which, following the suggestion of the hon. member for Moosejaw (Mr. Knowles), I must say I cannot see an evidence of good faith on the part of the minister or the Government in the preparation of the Bill, and if this provision of which I speak is a fair sample of the Bill's provisions throughout, I would be compelled to take very strong exception to it and to say that it may have been that the fact that the Government did not have a majority in the Senate was a protection to the public interest in the passing of the other Bill; but that now that the Government has a majority in the Senate, it feels free to introduce such a measure as it pleases and as it thinks may best serve its purpose, whatever that purpose may be. The liberties and rights of the people of Canada are involved in this measure, and I can only take the provision of subsection 3 of section 3 as a deliberate and intentional and very serious and far-reaching attack upon the

rights and privileges of the people of Canada in the expression of their vote. The provision of the section of which I speak is:

(1) Every military elector shall be qualified and entitled to vote at a general election.

(2) If he can state the electoral district wherein he last continuously resided during at least.....months of the year immediately preceding his appointment, enlistment, enrolment or calling out on active service, or so particularly specify a place or places within an electoral district whereat during such period of time he so resided that such electoral district can therefrom be ascertained, he shall be deemed an elector of the electoral district so stated or to be ascertained, and his vote shall be applied thereto.

(3) If he cannot, because of non-residence or otherwise, so state or specify, he shall be deemed an elector of, and his vote shall be applied to, such electoral district as he may indicate.

I can only characterize such a provision as a deliberate outrage on the right of expression of opinion by the people of the country. It creates a possibility of the massing of an unknown or untold number of votes, strictly under law, in any constituency against any candidate. To place such a power in the hands of a government which has necessarily the whole direction and control of the operation of this measure is certainly an attack upon the rights of the people such as we have seldom seen, even at the hands of this Government.

Mr. E. M. MACDONALD: Mr. Speaker, it will be recalled that the Prime Minister some months ago, shortly after the opening of the session, declared most emphatically that it was not possible for the votes of the soldiers who are in France to be taken in a general election, and this statement was made in such a definite and positive manner, without any reservation at all, that I think it is due to the House that, before this Bill passes the second reading, the Prime Minister should say to the House what change has occurred in the meantime which enables the votes to be taken when apparently it was not possible to take them before.

Then again I think it is in order that the minister should inform us what understanding, if any, has been had with the British authorities in France as to the taking of the vote in the way proposed in the Bill. I assume that, in view of the fact that it has been clearly shown that the control and direction of overeseas forces while on the soil of Great Britain is vested in the Canadian military authorities as represented by the overseas Minister of Militia, there can be no doubt about the capacity of having these votes recorded in Great Britain or in any other part of the world, within the Empire, where they may be. But as regards France, the statement of the Prime Minister was so definite and positive on the subject that I think some explanation is due to the House and the public as to what change has taken place in the meantime. I quite agree with the hon. member for St. John that, while the men who are overseas have a right to the franchise of this country and should be given an opportunity of exercising that franchise, and while we should all endeavour in this House to prepare and put through a reasonable Bill which would be absolutely fair to all parties, ensuring the honesty of the vote and the certainty of its proper recording, it is a novel principle to say that a person who was not a resident of Canada, who had no interest whatever in our internal affairs or conditions, and no knowledge in fact of what is best for Canada as a whole, or for any part of it, merely because he had the franchise in some other part of the Empire, or in the United States, where, if he chose, he could exercise that franchise, should be entitled to vote as a Canadian soldier in a Canadian election. There are numerous cases of men who have never been in Canada, who have been transferred to Canadian forces. At one stage a large number of soldiers were transferred to the Canadian forces—men who had never been in Canada and who, I suppose, never expected to be here. The question as to whether or not such could exercise the franchise intelligently in regard to Canadian affairs is not arguable, leaving aside the question as to whether they could determine whether the individual candidate might or might not be a proper person to represent a constituency in Parliament. To say that a person who had never been in Canada should be permitted to determine as against the votes of the people of a certain locality, who live here, and whose interests are here, and who ought to be the persons to say who should represent them in Parliament, seems to me a very unreasonable proposition. There are other matters of detail in connection with the Bill, but, as the minister intimated that he would hear suggestions, I presume we might discuss very frankly in committee these points which are entirely apart from the principle that a soldier should have the right to exercise his franchise. I think we should hear from my hon. friend on that point.

Mr. SPEAKER: The minister has the right to reply now, and should he do so that will close the debate.

Mr. DOHERTY: In regard to the statement by the hon. gentleman from Edmonton (Mr. Oliver) in which he was pleased to refer to certain motives on the part of those who are promoting this Bill, I do not hesitate to say that the hon. gentleman is entirely mistaken in his imputation. There is no desire to do anything, except, so far as may be found possible, to meet the very principles which he himself has laid down. If I did not think it necessary to elaborate those principles, it was because, upon the principles that ought to underlie this measure, there should be substantial agreement. On those principles I am not in disagreement with my hon. friend. The provisions meet what is required, viz.: that questions which arise are whether those the soldier,—I am speaking generally—should record his vote, and that proper safeguards should surround the taking of the vote. We are not blind to the fact that, even under this measure, it will

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be exceedingly difficult to get a complete vote of the soldiers, but I do not think it is wise, simply because of the difficulty, that we should not make the best effort possible to achieve the end desired. As to the particular instance the hon. gentleman has mentioned: whether a soldier not a Canadian, who has been merely transferred to the Canadian Expeditionary Force, should have a vote as a Canadian soldier, I shall be open to consider suggestions in committee. We shall welcome suggestions towards making the law more workable in securing the soldiers' votes as fully as possible, and surrounding the voting with all the precautions that the conditions make possible.

Mr. MACDONALD: The minister is not referring to the statement of the Prime Minister in that regard?

Mr. DOHERTY: We fully recognize, that, even after this measure is enacted, the taking of the soldiers' votes will be surrounded with very great difficulties. But by this measure we are endeavouring, so far as possible, to obviate these difficulties, which, without this legislation, in the opinion of the Prime Minister. might make the taking of the soldiers' votes impossible.

Mr. MURPHY: Is there any provision by which voters' lists will be provided, under this Bill, to the respective parties?

Mr. DOHERTY: No. We gave consideration to and tried to elaborate, a plan by which we could get a voters' list, but it proved in our judgment to be impracticable, and I may further say that a similar endeavour was made in Australia. We consulted with those who had the administration of the Australian Act, and they suggested to us that it was only an embarrassment, and in a general sort of way, they reported that rigidity in the provisions of the Act would tend to defeat its real purpose. There is no provision for a voters' list.

Mr. MURPHY: Could a copy of the nominal roll be obtained?

Mr. DOHERTY: Perhaps we could do better with these questions in committee.

Mr. SPEAKER: This is a question of detail more properly dealt with in committee.

Motion agreed to; Bill read the second time, and the House went into committee on the Bill—Mr. Rainville in the Chair.

On clause 1—application:

Mr. MURPHY: What is the practical application of the words "but before complete demobilization"?

Mr. DOHERTY: I understand the word "demobilization" has an accepted meaning, in military parlance, so long as soldiers are still on active service in connection with the war, and are held together as soldiers in consequence of their enrolment for this war, they are mobilized, but when they have been disbanded and allowed to return to their homes, they are demobilized. The committee, I think, will understand that there necessarily will be a period, after the war ends, when our soldiers will still be in England, or France, or on their way home, or after they have reached here, before they will be demobilized. It will take some time before they can be all dealt with, according to their respective positions and discharged, and the regiments broken up.

Mr. BURNHAM: We can all appreciate the efforts made by the gentlemen responsible for this Bill to provide ample means for the taking of the soldiers' votes.

But it seems to me, and I think it will seem to many other hon. members, that considerations arise in connection with it, such, for example, as have been outlined at a certain meeting held at Joliette as reported in the Gazette of Montreal, of Monday, August 20th, 1917. The report says that a meeting of the Liberal assembly at

Joliette yesterday was a great success. It also gives the remarks, direct as well as indirect, of two members of this House, and I would like to call the attention of the committee to some of those remarks, which will have a very serious effect upon the community at large. The article itself is under double headlines and is given great prominence. It says:

Particular stress was laid on the crisis which the province of Quebec is facing to-day by the Hon. Jacques Bureau, M.P. for Three Rivers.

Mr. GERMAN: I rise to a point of order. The hon. member is quite out of order. He is not discussing anything relevant to the section under consideration.

The CHAIRMAN: The point of order is well taken. The hon. member is out of order.

Mr. BURNHAM: The article goes on to say—

The CHAIRMAN: Order. That is not relevant to the section. The hon. member must confine himself to a discussion of the section under consideration.

Section agreed to.

On section 2—definitions:

Mr. SINCLAIR: What is meant by the word "receptacle"? Would that definition enable an officer to carry ballots around in his pockets without having a regular ballot-box in which they would be deposited? This is a great departure from the usual way of conducting an election, and I see no reason for such a general term as "or other receptacle" in the section. That opens the door to placing the ballots anywhere at all. Why is it necessary to have such general language as that in the section?

Mr. DOHERTY: The purpose of this section is only to enable us to use the word "box" wherever, through the Act, we are dealing with receptacles, but there are, in this measure, other provisions providing for the way in which the ballot is to be placed in the receptacle and as to the sealing of the receptacle. This definition is only so that we shall not have each time to say box or bag or some other form of receptacle, but we have provisions further on that the receptacle shall be a suitable one and especially that it shall be suitably closed and sealed and so forth. The effect of this is only to tell us what "box" means when we use it in this Act.

[Mr. Burnham.]

Mr. SINCLAIR: Why do we depart from the old system of having a ballot-box?

Mr. DOHERTY: The ballot-box as we have it in this country would not be a very convenient thing to carry around on the field in France or Flanders. The only object is to make the taking of this vote as convenient as it possibly may be made, because it must be recollected that every inconvenience that is put in the way of taking the vote is so much of a difficulty in the way of a soldier registering his vote. When we come to deal with particular provisions, the hon. member will see that there are provisions for the holding of what are called polls, but there is also provision for affording opportunity to a soldier to register his vote, where that is possible, otherwise than at what might be called a poll, where the conditions are such that if he is not allowed to register his vote at the time and place at which he tenders it, he may be entirely deprived of the opportunity of registering his vote. I cannot conceive of anything that would be much more awkward for an officer taking votes under the conditions under which they are to be taken than the form of ballot-box as we have it in this country. It seems to me that, as long as we ensure that the ballot-box shall be in a proper receptacle, properly sealed and closed so as to be safe, we are doing all that is needed, and in departing from the absolute requirement of a tin ballot-box, we are certainly facilitating the taking of the soldiers' vote.

Mr. SINCLAIR: What section provides that the box, or bag, or whatever it is, will be locked or closed?

Mr. DOHERTY: Section 11 deals with that, and I think there are other provisions besides. Section 11 says:

The deputy presiding officer may use the same ballot box, if it be sufficient, at all polls committed to him to be held, until it has become filled, and upon the conclusion of his last poll, or whenever he shall decide to discontinue the depositing of ballots in any box, he shall seal it in such manner as to make evident any tampering therewith, plainly mark it with the words "military votes" and send it by registered post or other safe and expeditious means, addressed, (a) if the votes therein have been polled within the United Kingdom, to the secretary of the High Commissioner of Canada, at London, England; (b) if they have been polled on the continent of Europe, to the Canadian Commissioner to France; and, (c) if they have been polled elsewhere, to the General Returning Officer at Ottawa.

Mr. PUGSLEY: There ought to be some provision for a ballot box so that, when the

ballots are put in, they cannot be removed. This definition—

"Box" or "ballot box" includes bag or other receptacle for containing ballots.

—is so very loose in its character that a returning officer might very well use any open vessel, anything that might be the handiest, even his pocket, if necessary.

Mr. MURPHY: Or his hat.

Mr. PUGSLEY: There should be some provision, the same as we have in the Dominion Elections Act providing for an ordinary ballot box. I do not think there would be any inconvenience in supplying the proper officials with those boxes, and it would be a certain safeguard; whereas, if an officer feels that, under the law, he can carry the ballots about in any receptacle he pleases to use he might think that people could be trusted, and then when he would come to seal up his ballots in some particular receptacle, he might find that he would have a good many ballots that were never cast by the electors at all. It is due to the soldiers that proper safeguards should be placed around the taking of the vote and the return of the ballot, so that the soldier, when he casts his ballot for a particular party or candidate, may have some reasonable assurance that that ballot will be sent back to Canada and counted at the proper time. The only reference to depositing ballots in the ballot box will be found in paragraph (b) of subsection 2 of section 9 which says:

. . . the deputy presiding officer, who shall without unfolding it—

That is in the case of counterfoils.

—ascertain by examining his initials and the number of the counter-foil, that it is the same paper as that furnished by him to the voter, and shall then, in the presence of the voter, remove and destroy the counterfoil, place the ballot in the proper envelope and deposit in it the ballot box.

That should read "deposit it in the ballot box". The words "in" and "it" have been transposed. It is intended, of course, to put the envelop in the ballot box, but, as the clause reads, the ballot box is to be put in the envelope. Paragraph (e) of section 9 provides that the voter shall place the ballot in the ballot box, which might mean that it could be placed in a pail or a tin can or in an open bag. I think the minister will see that there should be a section providing that the Clerk of the Crown in Chancery shall secure a sufficient number of suitable ballot boxes which could be kept under lock and key, and sent forward to the different officials who are to take part in the taking of the vote. Here are some four hundred thousand voters whose ballots are to be cast. Why, in the interests of the soldiers themselves, and in the interests of the Canadian people, should there not be the same reasonable safeguards surrounding the procuring of a proper ballot box, and the placing of the ballots in a secure ballot box, as in the case of an ordinary election? In an ordinary municipal election all these safeguards are provided, but here, where we are providing for the taking of the votes of 400,000 soldiers, we are providing no safeguards whatever so far as the procuring of proper ballot boxes is concerned.

Mr. DOHERTY: It may be that there should be more exact description of the nature of the receptacle; but, assuming that to be so, this is not exactly the section where that provision should be made. This is only a definition of what "box" is understood to mean when it occurs in this Act. To avoid giving a description every time we want to mention the receptacle that is to hold the ballots, we say that the word "box" shall mean the receptacle that is to be used, whether it is a box or a bag. When we come to deal with the manner of taking the vote, I shall be pleased to consider whether it would not be desirable to insert, as far as that may be possible, a specific description of the receptacle. The operations on this side of the ocean will rest upon the Clerk of the Crown in Chancery, and on the other side of the ocean on the Acting or Assistant Clerk of the Crown in Chancery, who is to be appointed and who will perform on the other side of the ocean the functions of the Clerk of the Crown in Chancery.

It is true that the provisions of the Dominion Elections Act may be more specific as to the kind of box, but if I am not mistaken, it is part of the duty of the Clerk of the Crown in Chancery to provide the boxes that are required; and I would assume that it would be part of the duties of the Acting Clerk of the Crown in Chancery on the other side to provide the receptacles, whatever they may be, which are deemed best and most suitable. It did seem to us desirable that we should not prescribe absolutely that the receptacle must be a box in any particular form. Otherwise, we might create a condition where the soldier would be deprived of his vote just because the officer properly authorized did not have a box of the particular shape.

Mr. A. K. MACLEAN: Section 122 of the Dominion Elections Act prescribes the form of ballot-box thus:

> The ballot boxes shall be made of some durable material, with one lock and key, and a slit or narrow opening in the top, and so constructed that the ballot papers may be introduced therein, but cannot be withdrawn therefrom unless the box is unlocked.

I think it would be well to introduce that paragraph in Part IV of the Act. If that were done, I think it would fairly well meet the objection.

Mr. DOHERTY: We have a provision here that Part IV is to be read in conjunction with the entire Act.

Mr. A. K. MACLEAN: I do not think that could be done, because section 119 of the Dominion Elections Act provides that the Clerk of the Crown in Chancery shall provide the required number of ballot-boxes, which must be of a uniform size and shape, such instructions being first approved by the Governor in Council. The definition which we are discussing seeks to make the term more elastic, to meet the case where a "box," within the Dominion Elections Act, was not obtainable.

Mr. NESBITT: Why not say something like this, "which cannot be removed except by the person duly authorized"?

Mr. DOHERTY: It occurs to me that in this clause is not a proper place to give any description of the ballot box. All we are doing here is compiling a dictionary so that we shall know what the words mean that are used in the Act. I quite agree that it may be necessary before we get through with this Bill to make some provision as to what is to be the form of the box.

Mr. NESBITT: Why not say, "as hereinafter provided"?

Mr. DOHERTY: I can see no objection to that.

Mr. GERMAN: Why not accept the definition in the Dominion Elections Act?

Mr. DOHERTY: I do not know whether I can get it home to the mind of the committee, but at present we are not defining at all. If some more precise description should be required, I would suggest that it be provided somewhere else in the Act. We are here simply saying that when in this Act we use the word box, we mean whatever may be the proper receptacle for receiving the ballots. We do not want to have it said that, because we use the word box in the different sections, the deputy returning officer would not be entitled to put the ballots in a bag or some other receptacle. The only desirable thing about using the word box, even if it should be a bag, is that we are using the same word as is used in the Dominion Elections Act for the receptacle in which the ballots are put.

If the description in the Dominion Elections Act, read by the member for Halifax (Mr. A. K. Maclean), be held not to apply to this Act, perhaps it would be well to set out, in that part of the Act where provision is made for the manner in which the vote shall be taken, some one form of receptacle.

Mr. MACDONALD: Why not let this clause stand until we decide what the specific kind of receptacle shall be?

Mr. DOHERTY: The subsection was so worded simply to relieve the draftsman of the necessity of going into details every time he had to mention the receptacle. However, if it is thought that the description so employed is in any way objectionable or might be rendered objectionable by our subsequent description, I have no objection to letting the section stand.

Mr. PUGSLEY: The Dominion Elections Act does not give a definition of ballot box, but it describes what the box shall be. If it is considered desirable under this legislation to have a sealed bag instead of a ballot box, that could be provided for. But it is undesirable to include "bag" in the definition of the receptacle for containing the ballots. That would convey to the person taking the votes that any loose receptacle that he might get hold of would do just as well as a ballot box; it would depend upon his own interpretation of what would be a reasonable safeguard. The statute ought to provide some receptacle that can be kept under lock and key and from which ballots cannot be removed except by the proper official. Those receptacles should be uniform so that when they are returned to the proper official he will know that those are the receptacles that went out from him and that others have not been substituted in their places. It came under my notice some years ago that in one case considerable delay was incurred in returning a ballot box. It was stated that when the box was received, the returning officer was able to say that it was not the identical box that he had sent out. The same safeguard should be thrown around the returning of the ballot boxes as is contained in the present Dominion law.

Mr. DOHERTY: As I have said, this is not a description of the ballot box which

is to be used; the provision is so worded in order that it may not be necessary frequently to go into a detailed description of the receptacle. I understand—I shall look into that—that the general requirements read by the member for Halifax apply to this box; we are making no exception in regard to the provisions of the Dominion Act which in themselves do not call for a specific kind of tin box. But when we come to deal with the manner in which the presiding officer shall deal with the ballot; with the question of where he is to put it and how he is to secure the receptacle so that it may not be tampered with and so that it may be identified as being the receptacle that he sent out, I shall be glad to consider whether we ought to go into more absolute detail with regard to the form of the receptacle. For the present, perhaps the section had better stand; we shall clear this up accordingly as the committee may be satisfied with the present requirements or may think that they are susceptible of improvement.

Mr. A. K. MACLEAN: I think that any particular provisions of the Dominion Elections Act must be specifically incorporated in this Act before they would apply. I make that suggestion so that the minister may have it in mind in connection with the definition of ballot box.

Mr. SINCLAIR: The present Dominion Elections Act consists of over 300 sections; it is divided into three parts. When this Act becomes law, how much of the Dominion Elections Act will apply to the taking of the soldiers' votes? For instance, in taking the ballots at election, agents representing the candidates interested are present in the polling booths. It is not regarded as legal or proper to take a vote unless representatives of each candidate are present. Under this legislation, will it be in order for an officer who has charge of the ballot box or bag to take a soldier's vote in the absence of the agent appointed to represent any particular candidate?

Mr. DOHERTY: We would get on better if we dealt with the sections as they present themselves. It is in connection with the sections providing the method of representation of candidates or parties at the taking of the vote that this question would most naturally arise. However, the provisions made in this Act in that respect are substantially the same as those contained in the present Soldiers' Voting Act. If we are to enable the soldiers' votes to be taken in a practical way, it is not possible to make it imperative that no soldier shall vote unless a representative of each candidate, or a representative of each political party is present. But, just as the old Act did, this Act does provide for the appointment of persons who are designated as scrutineers. Six of these scrutineers are to be appointed by the Governor in Council—that is the provision of the existing law— three on the nomination of the leader of the Opposition and three on the nomination of the leader of the Government. These three scrutineers are to have the liberty of appointing as many deputy scrutiners as they think will be useful to them. Each deputy scrutineer will have all the powers of a scrutineer on this side of the Atlantic. It is made the duty of the officers taking the vote or holding the polls to give public notice, so far as possible, of the time and the place when they propose to hold the poll and to give special notice, so far as possible, to scrutineers of whose names they may have been notified. It is the duty of everybody in connection with the taking of this vote to do everything that conditions will make possible to afford opportunity of representation of the respective parties at the taking of vote. I do not think that it is suggested as practicable that we should require the presence of a representative for each of the 468 candidates because, if we have contests in the 234 constituencies, that is what you would need to have. I do not think that is practicable. But we have preserved in this Act the provision contained in regard to scrutineers in the present law upon the subject. My impression is that this method came as a suggestion from some hon. gentleman on the other side of the House and that at the time, if my memory serves me, it was looked upon as being as complete a provision for the representation of the parties as we could make under the conditions. If it can be improved upon, without preventing the soldier giving his vote, I shall certainly be happy to consider any suggestion that may be made.

Mr. A. K. MACLEAN: That clause stands?

Mr. DOHERTY: The subclause stands.

Subclause allowed to stand.

On section 2—camp:

"Camp" means and includes base, barracks, rest station, ship, dockyard, hospital or other place whereat or whereon any military or naval unit or other body of military electors, as defined by this Part, is assembled under a

commanding officer for the performance of any military or naval duty, or for rest, cure, exercise, or training;

Mr. A. K. MACLEAN: What is the purpose of the words "under a commanding officer"? Might it not be possible that there might be a number of military electors assembled at any of the places specified in the subsection but they might not be under a commanding officer? Perhaps these words are rather restrictive in their effect.

Mr. DOHERTY: On inquiry I was informed that at all of these places there would always be somebody found in command. If we struck that out you might have a group of soldiers gathered together in some place which would be very unsuitable to take a ballot. I am not suggesting any improper place in that regard but it was thought well, in so far as the holding of polls are concerned, that they should be held in every place where you could find any gathering of soldiers for any purpose whatsoever who were assembled under the direction of an officer. Furthermore, we make provision that a soldier who might not be able to reach a poll of that kind, and who is exposed to the loss of his vote, is allowed to tender it and have it taken at the place where he is and where, of course, there is present a presiding officer provided with the necessary equipment to take the vote. I was assured, as coming from the military authorities, that I would be running no risk of missing any place where soldiers are properly gathered together by leaving in this provision. On the other hand, I do not think it would be desirable that we should include in the definition such a place, for instance, as a boarding house where half a dozen soldiers might be gathered together. If half a dozen soldiers are gathered together at any place for pleasure, say, it would hardly be a suitable place to hold a poll.

Mr. NESBITT: A "commanding officer" would not mean an officer of any particular rank but whoever was in command at the place?

Mr. DOHERTY: Yes. For instance, at a hospital, I understand it is the medical officer who is in command.

Mr. KNOWLES: If there were some wireless operators in the Cape Breton county, why would they be defined as military electors?

[Mr. Doherty.]

Mr. DOHERTY: We have not made any special mention of wireless operators but any person who has been—

—appointed, enlisted, enrolled or called out for active service as one of the Canadian Expeditionary Force, whether as officer, soldier, sailor, dentist, nurse, aviator, mechanician or otherwise, and who remains one of any such forces or services or has been honourably discharged therefrom.

is included as a voter. The words were intended to be large enough to cover everybody in whatever capacity he was acting who was enrolled, or enlisted, or appointed, to any service which makes him a member of the Canadian Expeditionary Force.

Mr. KNOWLES: The reason I asked that was that when you co-relate it with the expression "under a commanding officer" it may have a bearing on the case of a young man from my constituency. He had himself trained in wireless telegraphy, was taken on by Mr. Edwards, the naval man here, and for awhile was at sea. Only a few days ago I had a letter from him and he is at some lonely place in charge of a wireless station by the sea. As I understand it, although I speak subject to correction, he is there without any commanding officer over him, simply receiving and transmitting messages by the wireless system. He is not "assembled under a commanding officer."

Mr. DOHERTY: The right to the franchise does not depend on being in the army. If he forms part of the Canadian Expeditionary Force then he is entitled to vote. The word "camp" is put there so that it might be used without regard to the particular situation of the places at which it is provided polls shall be held. I am assuming that this wireless telegrapher is a part of the Canadian Expeditionary Forces and therefore a military voter within the meaning of the Act.

Mr. KNOWLES: He is in the Naval Service.

Mr. DOHERTY: If he is, then he is a voter.

Mr. A. K. MACLEAN: I think these operators are civilians.

Mr. DOHERTY: I understand that this class of persons is organized and recognized as part of the Canadian Expeditionary Force. It will be noticed that we have specially mentioned mechanicians in our enumeration of the people who now form part of the Canadian Expeditionary Force.

Our next clause, which defines what is covered by the term "military electors", is:

"Military elector" means and includes every person, male or female, who, being a British subject,—whether or not ordinarily resident in Canada and whether or not a minor or an Indian, has been, while within or without Canada, appointed, enlisted, enrolled or called out for active service as one of the Canadian Expeditionary Force, the Royal Canadian Navy, the Canadian Militia on active service, or the Royal Naval Canadian Volunteer Reserve, or has been, while within Canada, appointed, enlisted or enrolled as one of the British Royal Flying Corps, Royal Naval Aviation Service, or Auxiliary Motor Boat Patrol Service, whether as officer, soldier, sailor, dentist, nurse, aviator, mechanician or otherwise, and who remains one of any such forces or services or has been honourably discharged therefrom.

I have been doing some thinking myself as to whether the terms of that clause are sufficiently wide to cover every class that ought to be covered, and I am making note of this suggestion with the view of making such amendments as may be necessary to make it quite sure that we are covering everybody. It was pointed out to me that it is desirable to include persons who are undoubtedly Canadians but who are on service in the Imperial military force, or possibly in the French military force, as being reservists. I said that we had considered that, that we thought it desirable that they should have votes and that the reason they did not figure in our present definition rested on the difficulty of providing machinery to give them votes. Since the matter was brought to my attention I have given it some further consideration and what occurs to me is that even if we cannot provide machinery to give votes to these men, it would be particularly desirable that we should include them in the category of people entitled to vote because many of these men find themselves in conditions where they will be able to reach our presiding officer who is taking the votes of the Canadian force and if we recognize their right to vote, then they would be enabled to vote by that circumstance. Perhaps it is not a satisfactory reason for not recognizing his right to vote that we cannot provide special machinery for him. In that connection, I intend asking and should be glad to have any observations by hon. gentlemen about this definition of military voter, because it is a very important provision of the Act. I had intended, after hearing the different suggestions that would be made, to ask that that clause should stand so that, before it is finally passed, we shall have made as sure as we can to have included in the words "military voter" every person who fairly ought to be recognized as forming part of any force, whether actually combatants or members of a subsidiary force, telegraphers or others, actually taking part in the struggle in their respective capacities, and who have at least this much connection with Canada, that they either form part of a Canadian force and therefore, as soldiers, are Canadians, or, failing that, that they should have a connection with Canada which at the present moment it seems to me would have to consist of something in the nature of permanent residence in Canada.

Mr. SINCLAIR: We all agree with the minister that it is of great importance that he should find language comprehensive enough to include every real military elector; but there is also the danger that we may make the language too broad and include people who are not intended to be classed as militaary electors. For example, I see in this definition that we have included "such persons as are appointed." That is a very comprehensive word, and it may include people who are not meant to be included. I am told that there are scores and hundreds of young men and women appointed by the patronage committee of Ottawa who are serving in the Plaza building and many other places in this city, who are doing military work in the sense of clerical work. I am not sure that this language is not broad enough to include men and women of that class, and I do not think it is the intention of the minister to allow every person who assists in any kind of work, like clerical work in Ottawa or Halifax, to vote under this Act. I should like the minister to look into that and see if my criticism is well taken.

Mr. DOHERTY: It says "appointed, enlisted, enrolled or called out for active service in the Canadian Expeditionary Force." These young women employed in the buildings here have never been appointed as members of the Canadian Expeditionary Force.

Mr. SINCLAIR: What is the significance of the word "appointed"?

Mr. DOHERTY: A private enlists, but an officer is appointed.

Mr. PUGSLEY: I mentioned, when the Speaker was in the Chair, on the second reading, an objection which I entertain very strongly to this clause. It defines "military elector" to mean and include "every person, male or female, who, being a British subject whether or not ordinarily

resident in Canada," and such person is to have the right to vote. Then, as a corollary or a consequence of that, sub-section 3 of section 3 has been drafted. This is a most extraordinary provision. It provides that such a person may select any electoral district which he pleases. The result of that would be that, if the ballots of these non-residents were judiciously distributed—and I know some gentlemen who could distribute them judiciously—they would control practically every electoral district in Canada, and could turn the vote for either one party or the other. I do not think that should be permitted, and I do seriously call the attention of the minister to that provision. I saw the other day that there were said to be some 5,000 British citizens living in the United States who were desirous of serving the Empire, and it is very convenient for them to come to Canada and join the Canadian expeditionary force. These men, perhaps none of whom have ever lived in Canada, some of whom have not been in Canada since childhood, presumably engaged in various occupations in the United States, come to Canada and enlist. They go to the front and they are allowed to vote as Canadian electors. They have no place of residence in Canada and all they have to do is to say they have no place of residence and then their votes may be distributed throughout the various electoral districts of Canada. I ask if that is right. Why should the mere fact of non-residents engaging in the battles of the Empire as members of the Canadian force entitle them to be allowed to take part in an election which is to determine the government of Canada for the next few years?

Mr. HAZEN: Should not the man who fights for the country have the right to vote?

Mr. PUGSLEY: He is not fighting for Canada, but for the Empire, and because he is a British subject.

Mr. HAZEN: He is fighting for Canada too.

Mr. PUGSLEY: No, he would be doing so just as much if he were to join the army of the United States or the Imperial army. Why should you give a man who is, to all intents and purposes, an alien, so far as Canada is concerned, the right to take part in the determination of the domestic affairs of, and the government of Canada in the future, simply because he finds it convenient to join the Canadian Expeditionary Force in order to fight for the British Empire?

Mr. HAZEN: He has to be a British subject.

Mr. PUGSLEY: Yes, that is all.

Mr. HAZEN: But a British subject is not an alien.

Mr. PUGSLEY: He is a foreigner.

Mr. HAZEN: A British subject is not a foreigner.

Mr. PUGSLEY: He is a stranger to Canada, a non-resident of Canada. I would suggest to the minister that the words "whether or not" be struck out, so that the clause would read:

Who, being a British subject, ordinarily resident in Canada.

Mr. A. K. MACLEAN: Why not fix the time?

Mr. PUGSLEY: I do not see why the time should not be fixed. He should be a resident of Canada for three months, or perhaps six months, long enough, at any rate, to have an intelligent interest in Canadian affairs.

Mr. NESBITT: The Act of 1915 provides for "thirty days in any district."

Mr. PUGSLEY: But resident in Canada for six months.

Mr. NESBITT: A resident for thirty days would define the place to which he belonged.

Mr. A. K. MACLEAN: Would the hon. minister tell me what time he proposes filling in, in subsection 2 of section 3? There is a blank there.

Mr. DOHERTY: The intention was to fill it in by "a period of four months within the last year."

Mr. PUGSLEY: I think the minister should give a reason for this very great change he proposes making in the law. Section 1, of the Act of 1915 reads:

Every male British subject of 21 years of age or upwards serving in the military forces of Canada in the present war (hereinafter called "volunteer"), who, within six months immediately preceding the date when he was appointed to or enlisted in such forces, had been resident in any electoral district in Canada for a period of not less than thirty days, shall be entitled to vote in the electoral district in which he was last so resident, in the manner hereinafter set out, notwithstanding his absence from such electoral district or from Canada; provided that if any person was, at the time he was so appointed or enlisted, quali-

fied to vote in any other electoral district in Canada he shall vote in such other district only.

Any one can understand the reason for that provision. The idea which Parliament had in view then was that only those who had been residents of Canada should be allowed to vote. It was not thought desirable to require a long period of residence, but they must be residents of Canada. A most radical change is proposed by this Bill, and it is declared that these men shall have the right to vote, whether they have been residents of Canada or not. What knowledge would a man who has all his life been a resident of the United States have of the political parties or of the questions which engage the attention of the people of Canada, simply because, being a resident of the United States, he comes and enlists in the Canadian Expeditionary Forces and goes overseas. I can conceive of no reason why he should have a vote. It seems to me to be entirely objectionable. The minister should be able to present the reasons for this remarkable change, before asking the committee to adopt it. I do not believe he can suggest any good reason. Every argument is the other way. No person should be allowed to vote in the coming election, unless he has been, for some period at all events, either short or long, a resident of Canada.

Mr. MORPHY: Replying to the remarks of the hon. gentleman from St. John, I cannot conceive it possible that he should take such ground. Here we see the patriotic spirit of Canadians, living in the United States, whether they have lived there for one or two, or ten or twenty years—

Mr. PUGSLEY: Not necessarily Canadians.

Mr. MORPHY: —without having lost their citizenship of this country, and, rather than discourage them, I, as a Canadian, would give them credit, in a measure, for holding their allegiance to Canada. We find these young men, free from conscription, loyally coming forward, from patriotic motives, to fight for the dominion of their birth—young men who would be entitled to pensions once they have enlisted, young men who take the risk of the horrors of war, and go to fight for the British Empire, including Canada; young men who have been paid Canadian money, who will receive treatment in Canadian hospitals at Canadian expense, whose dependents will receive every benefit this country may give,—and we cannot give them anything too good. These young men have been away from this country for years, without forfeiting their allegiance, and without taking out papers of naturalization in a foreign country, they have kept in touch with the affairs in Canada, and, on the specious argument of the hon. gentleman from St. John, alleging ignorance, and alleging that these men do not understand political questions, we are asked to provide that they shall not be permitted to vote. To my mind the proposition is ridiculous.

Mr. PUGSLEY: This section does not limit it to the case of persons who have been born in Canada, but it is extended to every British subject. This person or his parents may never have spent a single day in Canada until the day he enlisted, and, indeed he may never have been in Canada, because he might enlist abroad in the Canadian Expeditionary Forces, and yet, under this Bill he is entitled to vote.

Mr. MORPHY: That does not detract one iota from my argument. If a British subject comes here and chooses to enlist in the Canadian Expeditionary Forces, he should be treated as a first-class Canadian. If a man who comes from theUnited States, or anywhere else, and enlists in the Canadian Expeditionary Forces is to get every benefit under the sun from the treasury of this country, it seems a monstrous thing that we should deprive him of his vote. I am astonished at this time to hear, on the floor of this House, an argument so specious and so much against the very first principles of patriotism as the argument advanced by the hon. member from St. John.

Mr. GERMAN: There is another phase of this section that strikes me as rather peculiar. It allows minors to vote. The clause reads:

"Military elector" means and includes every person, male or female, who, being a British subject, whether or not ordinarily resident in Canada and whether or not a minor or an Indian, has been, while within or without Canada, appointed, enlisted, enrolled or called out for active service as one of the Canadian Expeditionary Force, the Royal Canadian Navy.

Every one knows, that the men enlisted in the Royal Canadian Navy and the Royal Naval Canadian Volunteer Reserve are not really serving on active duty at the front. So far as I know very few of them are on active duty at all, but what would be the effect of this provision? The Government, if they saw fit, could appoint or enlist any number of young men who were minors, not entitled

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to vote at all, for service in say, the Royal Canadian Navy, or the Royal Naval Canadian Volunteer Reserve, who would never go on active service, who had no intention of going on active service, but who when they enlisted would be entitled to vote. Young men of such political calibre as suited the ideas of a certain party might be enlisted for the purpose of voting. There should be protection against that kind of thing, because enlistment in the Canadian Militia or active service is quite a different thing. I am quite willing to allow the minors who have been on active service to have a vote. But I am certainly not willing that minors who, just before an election, may be appointed to or enlist in a service which is not really an active service, should be given a vote as minors when they would otherwise not be entitled to vote. If that were done, voters' lists throughout the country could be padded to an unlimited extent with disastrous results to an opposition.

Mr. A. K. MACLEAN: The point made by the hon. member for Welland (Mr. German), is almost unanswerable. It should not be permissible, under this measure, for, say, twenty persons from Newfoundland to enlist for service upon one of the Canadian Naval Service boats of Nova Scotia two or three days before the date of polling and thus obtain the franchise. There is a great distinction between those serving in the Canadian Naval Service and those serving at the front. For instance, all the Fishery Protective Service boats are, I think, in the Canadian Naval Service at the present moment. I do not think we should go so far afield as to provide for the voting of persons so engaged.

I quite agree with what the hon. member for St. John says as to the granting of the franchise to those who are not ordinarily resident in Canada, and I do not agree with the remarks of the hon. member for North Perth (Mr. Morphy). I hardly think that the position taken by the hon. member for St. John is controvertible. It does not seem to me arguable that a man who has never resided in Canada should be given a vote under this measure. Such a question should not seriously engage our attention for a moment. We appreciate services rendered to the cause by all those who have enlisted in the Canadian Expeditionary Force but let us be reasonable about it. Do not let sentiment carry us to a point which will make us all appear foolish and irrational. In the Canadian forces you will find many

men from the British West Indies, from Newfoundland, and from other parts of the British Dominions. Upon what basis of reasoning can you argue that they are entitled to a vote in a Canadian election? They do not ask for it; they could not intelligently exercise the franchise. I do not think they would thank the Canadian Parliament for giving them that privilege, and I can conceive of no reason why it should be given to them. This is a Canadian Parliament legislating for and in the interest of the citizens of this country, and, therefore, any legislation contemplated by this measure should be intended to cover Canadian citizens only. I agree, therefore, with the suggestion made by the hon. member for St. John that the military vote should be confined to those who have been Canadian citizens for at least a certain period of time. The limit should be four or six months, because you are giving a great privilege in granting the franchise to those who may have been citizens of this country for but a short time. The minister should give serious consideration to this part of the section. I do not think he can present reasons which will satisfy a reasonable man that this part of the section should remain.

Mr. CROTHERS: My hon. friend from St. John (Mr. Pugsley) has pointed out that there are some extraordinary provisions in this section, and my hon. friend from Halifax (Mr. A. K. Maclean) objects to one particular provision. I agree with my hon. friend from North Perth (Mr. Morphy) that the circumstances in which this Bill is brought before Parliament are extraordinary. The whole thing is founded upon extraordinary circumstances. Our idea is that the man who enlists, who risks his life to save this country and the liberties of this country, ought to have something to say as to the government of the country, especially during the time that a war is on. Under this measure we purpose giving the Indian a vote. Without it, he would not have a vote. Why are we giving a vote to the Indian? Because the Indian is showing more patriotism and courage than many others, and is risking his life for the salvation of his country.

Mr. A. K. MACLEAN: The Indian is a resident of Canada.

Mr. CROTHERS: We are not giving him the franchise because he is a resident of Canada. If that were the only ground, we

would have given it to him years ago. We purpose, under this measure, giving the franchise to the female nurses who go to the front and take care of our wounded soldiers, not because they are 21 years of age, not because they are entitled to the franchise under any other statute in existence in Canada, but because they are risking their lives to assist our fighting men at the front. It is a recognition of their services that they should have something to say as to how this country shall be governed, especially during the balance of this war. We purpose under this measure giving the franchise to a young man who may be only eighteen years of age. Our general election law provides that a man must be 21 years of age before he is entitled to vote. We are giving this young man a vote because he has shown sufficient patriotism and courage to go to the front and risk his life for his country.

Mr. A. K. MACLEAN: No one is objecting to that.

Mr. CROTHERS: There are many extraordinary provisions in this measure because the whole thing is founded upon extraordinary circumstances. Even if a man has lived in the United States for years, whether he was born in Canada or not, if he feels sufficient interest to join the forces of Canada—and, to risk his life for Canada, he should have something to say as to how this country shall be governed while this war is on.

Mr. COPP: No one controverts the general argument made by the Minister of Labour in so far as giving a minor, even as young as eighteen years of age, the right to vote. They may be even younger than that, because there are young lads of sixteen in the Canadian Expeditionary Force, and they will be included in this measure. I cannot, however, agree with the Minister of Labour or the hon. member for North Perth (Mr. Morphy) as to giving the vote to a man who knows nothing about the Parliament of Canada.

Mr. CROTHERS: He knows enough to fight.

Mr. COPP: Yes. I agree that the franchise should be given to such as have an intelligent idea as to what the duty of a Canadian member of Parliament is, and what the Parliament of Canada is for, but if you grant the franchise to a British subject who happens to have been a resident of the United States, who may never have been a resident of Canada, who knows nothing about Canadian affairs—

Mr. BURNHAM: Would the hon. gentleman object to bestowing the freedom of Canada upon men who are fighting for this country, even although they were born and lived in foreign lands just as the freedom of a city is given to a distinguished foreigner? That gift carries with it the privilege of that city, just as the freedom of Canada would carry with it privileges for distinguished services.

Mr. COPP: I would give every British subject the freedom that any citizen of this country is entitled to.

Mr. MORPHY: Except the right to vote.

Mr. COPP: My hon. friend is wrong there. Take the case suggested by the hon. member for St. John, of a British subject who has enlisted in our forces after residing in the United States for a number of years. Now, although that man knows nothing about Canadian politics, he is to be given the right to vote. Then subsection 3 of section 3 says:

> If he cannot, because of non-residence or otherwise, so state or specify, he shall be deemed an elector of, and his vote shall be applied to, such electoral district as he may indicate.

He may not know a single candidate or a single electoral district in all Canada; so how can he intelligently indicate what district his vote shall be applied to?

Mr. MORPHY: It will be done for him.

Mr. COPP: By whom?

Mr. MORPHY: Don't ask me.

Mr. COPP: I repeat that it is absurd to expect a man to vote intelligently who knows nothing about Canadian politics, and who knows nothing about the candidates and the electoral districts.

Mr. TAYLOR: There is a very simple answer to the argument of hon. gentlemen who would disfranchise a British subject simply because he had entered the military service of Canada. If any of these Britishers from abroad to whom reference has been made came to Canada for the purpose, let us say, of avoiding military service in the United States, and remained in this country a few months, they would be entitled to vote in Canada. Why then, should we, as advocated by the hon. member for St. John, the hon. member for Halifax, and the hon. member for Westmorland decline to give the franchise to them because when they come to Canada they propose to do their duty and join our military forces and fight for us? If you exclude these

men from this Act, you are penalizing them for fighting for Canada, and making it plain to them that they were foolish to do this for so ungrateful a country, when, if they had stayed at home in Canada and declined to do their duty, they might have exercised the franchise and had a voice in determining whether other citizens of Canada should go to the front. It seems to me that we must of necessity give a vote to all British subjects who come to fight for us. I do not know what is the residence qualification in Ontario.

Mr. ARTHURS: Three months.

Mr. PUGSLEY: Twelve months.

Mr. TAYLOR: I am informed by a resident of Ontario that the residence qualification is three months. In the province of British Columbia you can exercise the franchise if you have been six months a resident in the province and one month resident in the electoral district where you propose to vote. Now as the period of training for a member of the Canadian expeditionary force is seldom less than six months, it may be taken for granted that any man who is serving with our forces abroad has had at least six months training either in Canada or abroad, and surely, residence in a Canadian trench in France ought to be regarded as equal to residence in Canada, seeing that the very best of Canada's manhood is on service in those trenches. It seems to me a monstrous proposition to tell any man on service with the Canadian forces abroad, and who may have been two or three years in the trenches, that because he joined the Canadian forces on coming to Canada he cannot vote, whereas if he had remained idle in Canada, or had come here to avoid military service, he would have been able to vote.

Mr. MACDONALD: The hon. member misapprehends the attitude of hon. gentlemen on this side of the House. We are simply saying there is no justification for going back on the well settled policy which we all agreed upon in 1915, that the men should be resident in Canada for a certain period before being allowed to vote. We are simply saying that in 1915, after very mature deliberation, Parliament agreed on certain restrictions as to residence, and we can see no reason for making a change now. This measure provides that a man, for instance, who has been transferred to the Canadian forces in England shall have the vote, although he may never have been in Canada at all. Now that does not seem reasonable. Section 2 says:

> "Military elector" means and includes every person . . . . whether or not a minor or an Indian, who has been, while within or without Canada, appointed, enlisted, enrolled or called out for active service.

Some of the men in the Bermuda regiments, for instance, have probably never been in Canada, because most of those regiments have gone direct to England. We can easily see how little sense there would be in giving a vote to a West Indian who had never been in Canada, or to a Britisher who had been drafted into the Canadian forces in England, and knew nothing at all about Canada. We say that that is a reasonable proposition. After all, the test of a man's right to vote is the test of citizenship and residence; the two go hand in hand together. And why should we now depart from that policy? A Britisher who happens to have been temporarily assigned to the Canadian forces may have a vote in England, and could vote at a general election there without any difficulty, and similarly, a West Indian would be able to vote in a West Indian election. That is quite reasonable, and all that we on this side of the House are asking is that the well-settled policy regarding residence shall be observed. It will also be noticed that under the provisions of this Bill the Canadian who has enlisted in an Imperial regiment in England—and quite a number of them have—is not entitled to vote. The right is confined to members of the Canadian Expeditionary Force, the Royal Canadian Navy, the Canadian Militia on active service, the Royal Naval Canadian Volunteer Reserve, the Flying Corps, and the Motor Boat Patrol. The Canadian who has enlisted in the British regiments on the other side is not given a vote.

Mr. DOHERTY: I have already said that we shall endeavour to meet that.

Mr. MACDONALD: We are here dealing with the definition of "Military elector," and my hon. friend has not included in the definition a Canadian citizen who is attached to a British regiment in England or France. A great many of my constituents are serving with the British regiments, and will thus be debarred from voting unless the clause is amended. I do not think we should give the vote to a minor who volunteers or is conscripted—I do not care whichever happens—just before the election, because he has not been away from Canada and has not endured any great privations. The man who has gone across to the other

side, even if he be a minor, should have a vote. If my hon. friend, in common with every other hon. gentleman in the House, desires to recognize the rights of citizenship of a man who has given service, he should not open the door to possibilities of unfairness and of difficulties which, no matter what the result of the election contest might be, would leave a blot on the fair name of Canada. It is absurd that it should be possible, for instance, to hire ten men on one of our naval service boats—men whose only qualification to vote is that before election day they were placed on that boat. No one would seriously eulogize the services of such men, because they would be doing nothing worth talking about. I am sure that the hon. gentleman will approach the consideration of this measure from the desire that we all have on this side that the man who has made sacrifice and given service, provided he has had residence in this country, I care not how short, may know who to vote for; may know who the people of this country are and what they want.

Mr. NESBITT: Let us not illustrate our patriotism—according to the Johnstonian definition of that word—by going too far in a case of this kind. I suppose we all like to be called patriots, some of us, apparently, more than others. Subsection 3 of section 3 is the ultimate result of the clause that we are now discussing. A person who might be a patriot but who might not be honest in elections, might gather up a great many votes, from fellows who did not care whom they voted for, and apply them all to one particular constituency. I am sure the Minister of Justice has nothing of that kind in his mind, because I do not think he is that kind of man; but it is wise to see that nothing like that shall be done. It is all right to talk about being loyal to the country; nevertheless, no matter what else we want, we are desirous that the country shall be honestly governed. We should not, under the head of patriotism, go into anything that is not honest. The member for New Westminster (Mr. Taylor) has said that ordinarily the men are trained in Canada for a certain length of time and that they would, therefore, have certain residence in Canada. There is no reason why my hon. friend should not provide that there should be a certain residence in Canada. I am willing that every person who has enlisted or has gone to the front should have a vote, provided he is a British subject; but I am not willing that corruption should follow our anxiety to give these men that privilege. The member for North Perth (Mr. Morphy) pointed out that these men would get pension, separation allowance, etc. With that we all agree; it is their right, no matter where they come from, provided they enlisted with the Canadian forces. But let us not, I repeat, under the head of patriotism do anything that will react injuriously upon the fair conduct of the election. I am sure that we all desire that the election shall be conducted properly and honestly; I can say that for the Minister of Justice, anyway—and certainly that is all I want. I do think that subsection 3 is a very dangerous provision to insert in this Bill.

Mr. DOHERTY: It does not surprise me that at first glance this provision should look like an objectionable one. Some hon. gentlemen have said that no argument can be made in support of it, but I think that we have already had fairly strong and conclusive argument in support of it. But if hon. gentlemen had been called upon to think this out as it has been my duty to do, they would see that a good deal may be said in the way of argument in favour of this proposal. I do not think it is an extraordinary thing to say that the man who fights for this country evinces interest in the country by doing so. The member for St. John (Mr. Pugsley) suggests that it is a mere matter of convenience that he comes, say, from the United States, and enlists here. There may be cases of that kind, but I know it to be a fact that, at least since the United States has taken part in the war, facilities have been afforded in that country for the enrolment in British forces of British subjects in the United States. If a man says: No, I want to be enrolled in the Canadian forces, he does so for some reason; he has a preference, perhaps, for this country. The member for New Westminster pointed out that if a man spent six months in this country in any other occupation and was settled down in that occupation when the making out of the lists was in hand, he would be entitled to vote, assuming he was a British subject. We say to that man: You spent your time making money in this country; you came here, perhaps, merely because there was an exceptional opportunity in connection with the war to work on munitions or something of that kind; we will give you a vote; we will not investigate what you know about the interests of this country; we will not investigate what your degree of intelligence is. But you, Mr. Soldier, you settle down in this

country with a view to going away to fight for Canada—and we doubt your intelligence; we do not think you have a comprehension of what the interests of this country are; we do not think you should be allowed to vote. When one reflects on that, one realizes that if we take that attitude we refuse to give to the man who came to join our forces something that we readily give to the man who came into the country to look after his own interests. After all, is it an exaggeration to say that the man who has resided for two years in Canada as a member of a Canadian regiment is as closely connected with Canada as the man who happened to pass a year or two here, devoting his time to his own enjoyment, his own business or his own advancement. These men are living among Canadians.

These men are fighting for Canada—you may make a distinction if you like between fighting for the Empire and fighting for Canada—but these men are fighting for Canada just as are their Canadian comrades who are standing beside them. These men are fighting for Canada, these men are living with Canadians, these men have by their own action made an election as soldiers to be Canadians and we are asked now to say to them: You shall not be Canadians.

Mr. A. K. MACLEAN: Is it not possible that 100 or 200 citizens of Great Britain have enlisted in the Canadian force in Great Britain since leaving Canada, both officers and men, for the purpose of securing a higher rate of pay?

Mr. DOHERTY: I am prepared to concede that there may be exceptional cases of men coming into this force under conditions which would necessitate our making an exception to the general rule I was rather influenced by the idea of, say, a British officer in the United Kingdom transferred for service to our force and who remains an elector in the United Kingdom. If we are going to meet that, which after all, must be a very exceptional case, we must do so by making provision for such an exception, and it would be proper to give it serious consideration. But there is present to my mind the general case and the general case is the case of the man who came to Canada to enlist. We will give a vote to the man who comes to Canada to make money but we will not give a vote to the man who comes to Canada to enlist and fight for us.

Mr. GERMAN: Why not assign his vote to the constituency where he enlisted?

[Mr. Doherty.]

Mr. DOHERTY: We might do that. The first question is: Should he have a vote? and the second is: Where should he vote? The principal objection of the hon. member for North Oxford to giving him a vote entails the making of an amendment to subsection 3. But, there is another ground, speaking of this general plan, for giving him a vote. We have to look at what he is entitled to on Canada's part and I have given the reasons which, in my estimation, entitle him to the vote. But, I think we have to look at Canada's interest too. He is a pretty good kind of a man who came to Canada to fight for Canada and I think we have a right—

Mr. MACDONALD: My hon. friend is giving the vote to a man who did not come to Canada.

Mr. PUGSLEY: Who had never been here in his life.

Mr. DOHERTY: I have tried to point out the distinction between what might be the exceptional case and what will be the general rule in regard to this class of men. I have already intimated that I would be ready to consider the desirability of making an exception for such cases as the hon. member for Pictou suggested. But for a moment, may I be allowed to talk about the class of man coming under this section who will make the general rule, and that is the man who came to Canada to enlist and fight for Canada? We must not only consider what Canada ought to give him, but we must also give thought to what is Canada's interest in regard to him. Canada's every interest is to bind that man to herself if she can. Now, there is an opportunity. He has come here, he has joined her forces, he has fought her battles, he has risked his life for her defence. It is in vain to say that he has fought only for the Empire, because we take glory and credit for every achievement of our Canadian regiments.

Mr. MACDONALD: There is nobody objecting to the principle.

Mr. DOHERTY: Then, if nobody objects to the principle, it is of no use my discussing it. I was told that there was no argument that could be made in support of giving the vote to a man who did not belong to Canada.

Mr. MACDONALD: My hon. friend argued about the man that came to Canada. When my hon. friend passed his legislation in 1915 he gave a vote to the man who came

to Canada to enlist provided he had been here a certain time.

Mr. DOHERTY: My hon. friend wants to put a penalty on the man who enlisted too soon. He should have waited thirty days and then he would have got the vote.

Mr. MACDONALD: The hon. gentleman laboured in justification of that principle in putting through the law in 1915.

Mr. DOHERTY: The hon. member for Pictou talked about the Act we had passed by agreement, and now he has forgotten how he struggled and laboured to prevent that Act being passed.

Mr. MACDONALD: My hon. friend is sidestepping.

Mr. DOHERTY: I am afraid that if I am trying to do any sidestepping I am entering into a hopeless competition with the hon. member for Pictou. I think we had better get back to the question. I quite realize that we made this thirty-day provision, and I also realize that all the difference made was that we were refusing the vote to the man who had resided six months in Canada in training because this period of time was not immediately before he enrolled, and we were giving a premium to the man who had loafed around for thirty days before he had enlisted over the man who came in and took up his military work at once. I do not want to be understood as condemning that law. I am free to admit that at that time, as the question presented itself to my mind, we were making a good law, and I am not now saying that it was a bad one, but there is such a thing as a good law and a better one. I think we can reach a better one.

Mr. SINCLAIR: Does the minister see any difficulty in giving a vote to a man who was never in Canada, who does not know the name of a single county or electoral division, has no idea of our public affairs, and does not know one political party from another? There might be a man of that stamp who would be entitled to take part in our affairs. Has the minister considered that?

Mr. DOHERTY: There might be a man of that stamp among the people who have stayed at home and not gone to fight. There is quite a number of people in this country who do not know very much about public questions and there are not a few people who require to be told the name of the electoral district in which they vote. We do not exclude them from the vote.

Mr. SINCLAIR: I want to know if it is the purpose of the minister to cover a case of that kind.

Mr. DOHERTY: I do not assume that a man who is going to enlist in the Canadian forces is below the average of intelligence.

Mr. SINCLAIR: Not at all, but he is a perfect stranger to the country.

Mr. DOHERTY: If he is not below the average intelligence, and if he has lived, as he has, for a year or two in close daily contact with our Canadian soldiers, I do not think we should class him as not knowing anything about the questions which will come before the electors at the next election. Do hon. gentlemen think, for instance, that, through our forces on the other side, the knowledge is not general on one of the great questions that will have to be dealt with in this election and that is the question of the Military Service Act? I think there is a pretty general knowledge of that question.

Mr. PUGSLEY: There are many other questions besides that.

Mr. SINCLAIR: There is no need of the minister labouring the point. I want to know if he proposes to cover a case of that kind?

Mr. DOHERTY: I give credit to the British subject who has come to join our forces for being the possessor of as much intelligence as the average Canadian citizen. Giving him that credit, I have no doubt that a man living among our fellow Canadians for that period of time will gather knowledge especially in regard to questions that arise and conditions that exist here.

Many, I should say the great majority, of these people, it is fair to assume, are intelligent men, who will know something of our conditions and appreciate the questions at issue in the election. They have given the greatest possible service to Canada. Canada has every reason to induce them to remain Canadians when they have ceased being soldiers, and I think one way to do that is to open our arms to them and to take them in as Canadian citizens. I think we are running no risk by granting them votes. I do not think there is any greater risk involved in giving the vote to a British subject who has done that service than in giving it to a British subject who may come to Canada and live here for six months or a year. If we get down to arguments based on the suggestion that such a

man does not know anything about our problems or is not interested in them, we strike an argument that would apply to a good many of our citizens in Canada. I realize that we are taking an unsual step, but, after all, we are between giving to the British subject soldier who did not happen to reside in Canada that recognition which we think, as a general rule should be given to the man who fights for Canada, and not treating him on an equality with other Canadian soldiers. I do not think that Canada has any danger to apprehend from this vote.

As to the registering of the soldiers' votes and the possibility that the present provisions might permit votes being crowded into a particular constituency that some one may be especially interested in carrying, it may be that there is a possibility for the exercise of influence of that kind, but I think there is equal possibility in one direction or the other. But may I point out the difficulty that we are face to face with when we concede that these men ought to have votes. It is suggested that we ought to give them votes at the places at which they enrolled. That suggestion was seriously considered, but we found that the practical result would be that, in certain constituencies where there was a large enlistment, you would take the control of the constituency from the ordinary elector of the constituency, absolutely.

Mr. A. K. MACLEAN: That is not in the Bill, that surely was never seriously considered.

Mr. DOHERTY: It was suggested here a moment ago.

Mr. MURPHY: I think that was a limited class.

Mr. DOHERTY: If you allowed all the men who had enlisted, say in the city of Toronto, to vote there, you would crowd out the electors of that particular constituency. And may I mention in passing that subsection 3 of section 3 has application to a class other than this particular class, that is the class of man who is not in a position to define his constituency, although he may have resided in Canada. You do not want to refuse that man the vote and must make a provision by some method to determine where he shall vote. If you took the men who could not define their constituencies, and all the men who never resided in Canada, and crowded them all into the places in which they are enrolled, you would, in regard to many constituencies, take those constituencies bodily out of the hands of the people actually resident in them and transfer the control of them to these men who gathered there accidentally, merely for the purpose of enrolment. Another serious objection is that, by that system, you would give no opportunity for the vote of those men of whom I am now speaking, who, although they did reside in Canada, were interested in Canada and registered as from that part of Canada which they knew best and in which they were most interested. So that you cannot take subsection 3 and treat it as applicable only to men who had not resided in Canada.

May I point out that the number of votes that will be covered by this provision with regard to men who have not previously resided in Canada will not be very considerable?

Mr. A. K. MACLEAN: Is that not a good reason why we should not break in upon a well-established and sound principle? If there were, say, some 50,000 or 100,000 British subjects who had enlisted in the Canadian army from some of the other Dominions of the Empire or from the Old Country, it might be worth while to meet their case; but where only a few hundred have done so, is it worth while departing from sound principles?

Mr. DOHERTY: I should think that if their numbers had been exceedingly large, it would have added to the force of the argument against their being allowed to vote. But if it were made to appear to me that we were going to give this very exceptional privilege to so large a number of people that we would transfer over the control of Canada to people who had never had resided in Canada, I would think the objection was much stronger than when we were face to face with the question of allowing, I should suppose, 5,000 or 10,000 voters at the outside. It is not going to make a material difference, the election is not going to depend on these men, and we are not involving Canada in any serious danger that the people of Canada, as such, will not control the outcome of the election by granting the right to vote to these men who, after all, deserve well of Canada, and whom Canada has an interest to encourage by every means to remain with her and to continue, after the war, to be her citizens, as she is, by this operation making them, so far as voting is concerned.

Mr. MORPHY: May I refer to a question arising out of what was said by the hon. member for Westmorland (Mr. Copp) about the ignorance of Canadians who

might be living for some years, say in the United States? My view of that, from letters I have received from a few friends, is that these people have kept a very close touch on their home life through their home papers and the large daily papers.

Mr. PUGSLEY: I rise to correct my hon. friend. The hon. member for Westmorland, like myself, was not dealing especially with Canadians. This Bill allows British subjects who have never been Canadians, whose fathers may not have been Canadians, men from Australia or other places, to vote. That class of people would be just as numerous, perhaps even more so, than those who themselves, or whose parents, came from Canada. The hon. member for Westmorland said they would be ignorant of our affairs, and I say so too.

Mr. MORPHY: I am particularly referring to Canadians who have never lost their nationality although living in the United States. I understand it is from that country that we get the largest number of outside enlistments. These men individually and in the aggregate, universally, especially men who did not forsake their allegiance, invariably kept in touch with their home towns, with the provincial life, and to say that they are ignorant, when they get their home papers and so on, is quite incorrect.

Mr. DAVIDSON: I was very much surprised at the attitude of the hon. gentleman from Pictou, in reference to this section. The hon. member for Pictou (Mr. Macdonald) the hon. member for Guysborough (Mr. Sinclair), and the junior member for Halifax (Mr. Maclean) argued that because these men had never been in Canada, notwithstanding the fact that they had fought in Canadian armies, they were not entitled to the franchise. Are these hon. gentlemen aware that, by the law of Nova Scotia, it is possible for a British subject in England, Australia, New Zealand, or any other part of the Empire, to have a vote in Nova Scotia, without ever having been a day in the Dominion of Canada, and without having resided a day in Nova Scotia?

Mr. A. K. MACLEAN: Would the hon. gentleman make his meaning a little clearer.

Mr. DAVIDSON: Under the present law in Nova Scotia, residence is not a qualification for a voter. If a man is a British subject, and owns $150 worth of real estate in the province, he need never have spent one day in Canada. These gentlemen are perfectly content to allow that condition of affairs to obtain, and that has been the law in Nova Scotia for a long time. If a man invests $150 in land in Nova Scotia, it is all right for him to have a vote, but if a man risks his life in the defence of the Dominion of Canada, he has no right to citizenship at all. It seems to me a very extraordinary doctrine, and I do not believe it will be accepted in the province from which I come.

Mr. A. K. MACLEAN: Is there not a residence qualification?

Mr. DAVIDSON: No.

Mr. A. K. MACLEAN: There is a residence qualification for some class of voters. The hon. gentleman from Annapolis may be right in regard to citizens qualifying as landowners, but a residence is necessary for some class of voters.

Mr. DAVIDSON: I am quite sure I am right, and my hon. friend from Halifax is right in saying that residence qualification is required by some other class of voters. A person voting on income requires a year's residence in the province, but the owner of land, irrespective of residence, has the right to vote. That was the law in Nova Scotia during the time my hon. friend (Mr. Maclean) was Attorney General of the province.

Mr. SINCLAIR: Does the law of Nova Scotia not provide that the voter must vote in the district where he resides?

Mr. DAVIDSON: No, the law of Nova Scotia provides that if a man resides in a certain district, and has a vote in that district, he must exercise the franchise there, but if he is a non-resident, and owns lands in various districts, he can elect in which of the districts he can vote. I believe the same is true in the province of Quebec. A man in Australia owning land in Quebec, even though he never saw the shores of Quebec, is entitled to vote in the province. After all, when a man is fighting and risking his life for his country and its institutions, has he not the right to have some voice in the administration of affairs of the country, and to exercise his franchise?

Mr. BURRELL: This has been rather a controversial question, and I desire to ask my hon. friend a concrete question. Suppose a British subject in New York State never set foot in Nova Scotia, but bought property in that province, would he be

able to come in on election day, and cast his vote?

Mr. DAVIDSON: Yes.

Mr. BURRELL: If that is true, the whole argument on the other side falls to the ground.

Mr. DAVIDSON: The only qualification is that a man is a British subject, and owns land of a certain value.

At six o'clock, the committee took recess.

After Recess.

The committee resumed at eight o'clock, Mr. Rainville in the Chair.

Mr. PUGSLEY: If the hon. member for Annapolis (Mr. Davidson) is not going to resume his remarks, I would say that, in my judgment, the Minister of Justice ought to withdraw this provision to which exception has been taken. My hon. friend from North Oxford (Mr. Nesbitt) made the statement before recess that he would not suggest that the minister had any ulterior motives, but I am prepared to say that if the minister, after his attention has been called to the injustice which may be done by continuing this provision in the Bill, insists upon its being continued there, he must not object if we suspect him of having ulterior motives and of having designed this Bill in order that unfair practice may be exercised and unfair advantage obtained in an election.

Some hon. MEMBERS: Order.

Mr. PUGSLEY: What can be done under this provision? A Canadian soldier who has gone to the front is limited in his choice of a constituency to that particular constituency in which he has resided. He has one vote and one choice. The American soldier, the man who is not a resident of Canada, who may happen to be a British subject, no matter in what country he may have resided, who has joined the Canadian Expeditionary Force, not necessarily enlisting in Canada, possibly enlisting in the United States, or in England, possibly enlisting on this side, because, if he enlisted in the Canadian Expeditionary Force, his expenses across the ocean would be paid and he would receive a higher rate of pay than if he went to England and enlisted in the Imperial Forces, is to have the choice of 230 odd constituencies in Canada in the casting of his vote. That is grossly unfair. It gives opportunity for fraud of the worst kind. It gives opportunity for men who may not have been residents of Canada to join together, to make up their minds, perhaps under proper guidance, as to the constituencies in which their votes shall be cast, in which the contest will be close, in which the majority will be a narrow one, and thus, they may possibly control many constituencies in Canada in favour of the Government of the day. The Government, under this Bill, appoints its own presiding officers; with the choice of those presiding officers the leader of the Opposition has nothing to do. That, in my judgment, is wrong. It is contrary to fair and proper administration, and it would not be too much to say that, if the minister persists in continuing this provision in this measure, it is designedly intended to offer an opportunity to steal the election from the people of Canada.

Mr. CROTHERS: I hope my hon. friend is not judging other people by himself.

Mr. PUGSLEY: I am judging by what I see in black and white. In 1915, a Bill fair in its provisions was presented to the House, a Bill to which both sides of this House could give their assent. To-night we find that, absolutely without reason, contrary to proper principles, the Government has departed from what was agreed to in 1915 and is giving an opportunity to a thousand or so of American citizens—

Some hon. MEMBERS: Order.

Mr. PUGSLEY: —not naturalized American citizens, but men who have had their residence in the United States, who may never have set foot upon the soil of Canada, to join together and distribute their votes judiciously amongst certain constituencies and thus carry the election against the voice of the people of Canada, that is, against the votes of those in civilian life resident in Canada and of our Canadian soldiers who have a real interest in the affairs of this country. That is absolutely wrong, and if the minister persists in continuing this provision and so departing from the principles of the legislation of 1915, he cannot find fault if hon. members on this side of the House draw the reasonable, and indeed, the necessary conclusion from what is printed in the Bill.

The Minister of Justice has said that we have suggested that those who have enlisted from the United States and from other countries are not intelligent. We have not suggested anything of the kind. We have said that the man who either has not lived in Canada at all, or has not for years been a resident of Canada, has not

that knowledge of the affairs of this country which would enable him intelligently to cast his vote either in favour of the Government or against the Government, or in favour of one candidate or another. Is not that reasonable? That is the view the minister very properly took in 1915 when he provided that there should be residence, but here we have a Bill which enables men who, to all intents and purposes, are foreigners, to cast their votes in England or in France in any one of the constituencies of this country and in respect to the election of a candidate in a constituency in which the parties are pretty nearly evenly divided. They might thus have a controlling influence, and their votes might decide the election against the votes of those who have remained at home as well as of Canadian boys at the front. That is an injustice of the worst possible kind to the people of Canada and to the Canadian soldiers who have gone to the front.

This section is most objectionable in other respects. Men who have not gone to the front, men who may have enlisted in the Royal Canadian Navy, minors, boys of fifteen, sixteen and so on up to twenty-one years of age who may have enlisted as midshipmen in the Royal Canadian Navy, will, under this section, belong to that class who will be entitled to vote. That is also unfair. This Bill gives opportunities for fraud, for enabling men to control elections who ought not to be permitted to control them as against the votes of the mass of the general public. Such a section ought not to be in a measure of this kind. The Minister of Justice may say: Men will not do anything of that kind; those who have charge of the elections will not do that. If he thinks that is the case, he is very innocent.

I am sorry to say that the ordinary political machine in this country—and I do not charge this entirely against the Conservative party—will leave no stone unturned to carry an election, and this Bill presents the greatest opportunity which any party machine could possibly desire. It gives to those in control of the machinery of government a most unfair advantage, and one which ought not to be given. My hon. friend has suggested that as those who come to this country and join the Canadian Expeditionary Force are prepared to fight for Canada, therefore, they should be given the opportunity of voting on the question, who shall carry on the government of this country? And my hon. friend said that one of the great questions with which they would be familiar was the question whether we should have compulsory military service in this country or not. But does my hon. friend forget that there are many other questions upon which the election which is about to be held ought to turn? Does he forget that there are questions connected with the conduct of the war from its very beginning down to the present time which the electors ought to consider, and which ought to be a controlling factor in the issue? Does he forget that when our boys were sent to the front at the commencement of this war, they were sent without machine guns with which they could defend themselves, and that in the early battles thousands of our boys were shot down who might have been saved if they had been properly equipped with machine guns? Does he forget that our boys were sent to the front, equipped with a rifle which they found to be inefficient? Does he forget that the excuse which was made in this Parliament was that the failure of the rifles to work was due to the defective ammunition with which they were supplied? Does he forget that there are other questions connected with the scandalous waste of public money in connection with the supplies which were purchased by this Government? Does he forget that all through this war from the beginning to the end everything has been carried on from a partisan standpoint—from the standpoint of how much patronage could be given to the Conservative party and to the Conservative machine throughout this country from the Atlantic to the Pacific? Does he not think that these questions ought to be considered by the electorate of Canada? Does he suppose that these non-residents who have lived all their lives in the United States and other countries, even though they be British subjects, are familiar with all these questions to the extent that the Canadian boy at the front or the Canadian electorate at home is familiar with them? These men surely could not be expected to be familiar with all these questions. The sound principle is that which was adopted in the Act of 1915, to give the vote to those only who have been residents of Canada for a certain period, and who can fairly be classed as Canadian citizens and interested in the proper government of the Canadian people.

I am sorry to have been obliged to make these remarks. I have great respect for my hon. friend the Minister of Justice. I thought that this Bill had not been drafted by him. I thought it had been prepared for him by others connected with this Government, and that he had introduced it per-

haps without a thorough appreciation of the faults which it contained. But he suggested before recess that he approves of this Bill, approves of this extraordinary and iniquitous provision in it——

Some hon. MEMBERS: Order.

Mr. PUGSLEY: I do not hesitate to use the word iniquitous. When I find the minister approves of this iniquitous provision, I find it difficult to acquit him of the intention of deliberately introducing a Bill, the provisions of which can be utilized to over-rule the will of the Canadian boys at the front, over-rule the will of the Canadian people, and enable those constituencies in this country where the vote may be deemed to be close to be stolen by means of the non-resident vote.

Mr. DAVIDSON: The hon. member for St. John has said that he was very sorry to make the remarks he did.

Mr. PUGSLEY: Very sorry to be obliged to make them.

Mr. DAVIDSON: I think the obvious reply to that is the question, why, then, did he make the remarks? If they caused sorrow to him, I am quite sure they did not cause pleasure to anybody else in this House, and as we all want to get along in this world with the least possible suffering, I think it would have been better for him not to say those things which were likely to produce sorrow.

Mr. PUGSLEY: When I am brought face to face with something of a horrible character I must speak out.

Mr. DAVIDSON: Before six o'clock, I expressed my view as to the law in Nova Scotia relating to elections. I think my interpretation of those provisions was inclined to be challenged by hon. gentlemen opposite, and for that reason I have fortified myself with the statutes. I would direct the attention of the committee to clause 6 of the Dominion Elections Act, which reads:

> For the purposes of any Dominion election held within the limits of a province, the voters' lists shall, except as herein otherwise provided, be those prepared for the several polling divisions established, and which, on the sixtieth day next preceding the day fixed for the nomination of candidates for such Dominion election, were in force, or were last in force, under the laws of that province, for the purposes of provincial elections.

By the Dominion Elections Act, the lists in the province of Nova Scotia which were to be used were the lists of electors for the provincial elections of that province. To find out what is the list used in the province of Nova Scotia for provincial purposes I would direct the committee to section 48, of chapter 5, of the Revised Statutes of Nova Scotia, which reads:

> Subject to the provisions hereinafter contained, all male persons whose names are registered on the lists of voters for polling districts in any county, in force under the provisions of the "Nova Scotia Franchise Act," on the day of the polling at any election for any county, shall be entitled to vote at any such election for such county, and no other persons shall be entitled to vote thereat.

The Nova Scotia Elections Act says that the list to be used shall be the list prepared under the provisions of the Nova Scotia Franchise Act, and the Nova Scotia Franchise Act defines what persons shall be entitled to vote. Section 3, of chapter 4 of the Revised Statutes of Nova Scotia reads as follows:

> Every person shall be entitled to be registered in any year upon the list of voters for the proper polling district of any county, if such person—
>
> (1) Is of the full age of twenty-one years, and is not by this chapter or by any law of the province of Nova Scotia disqualified or prevented from voting; and has not since the last revision of the lists of voters received aid as a pauper under any law of the province of Nova Scotia, and
>
> (2) Is a male British subject by birth or naturalization, and
>
> (3) Either
>
> (a) Was, at the time of the last assessment, assessed in respect of real property to the value of one hundred and fifty dollars, or, in respect of personal property, or of personal and real property together, to the value of three hundred dollars, or
>
> (b) Was, at the time of the last assessment, in possession of real or personal, or of real and personal property together, of the respective values hereinbefore mentioned, but was by law exempt from taxation, or
>
> (e) Was, at the time of the last assessment, the owner of real property of the value of one hundred and fifty dollars, or of real and personal property together of the value of three hundred dollars, and his name was omitted from the assessors' return or appears therein with an assessment less in amount than the sum requisite for qualification.

By the provisions of the Nova Scotia Elections Act the list to be used for a provincial election shall be the list prepared under the provisions of the Nova Scotia Franchise Act.

Mr. A. K. MACLEAN: I think the member for Annapolis was right in the contention that he made before six o'clock; that British citizenship plus real estate would entitle such a man to vote. But in the case of personal property and income qualification, residence in the province is necessary.

Mr. DAVIDSON: I think my hon. friend is correct. Residence is required for an income voter, but not for a property voter. The member for St. John said that the ordinary Canadian soldier who was serving at the front had not the option of deciding where he should vote; that he must vote in the district from which he comes. That may be true while serving overseas. But if he came from Nova Scotia and was proceeding under the Election Act in that province, he could select the county in which his vote should be cast if he owned property in several different counties and was not residing in any county in which he was registered as a voter. I cannot understand why the hon. gentleman, who has such a vast knowledge of the law, should, in view of these facts, lay down the doctrine that it is a great wrong for a soldier, fighting in Canadian uniform in a Canadian regiment, for the Canadian nation, to be allowed to vote if he had not been a resident of the country prior to the time he joined the colours. Yet, in all the years during which my hon. friend was a minister of the Crown, he was a party to allowing British subjects who were not resident in the Dominion to vote in Nova Scotia in large numbers. Let me give my hon. friend an illustration. A wealthy broker in the city of Boston, a British subject, was the owner of a certain mortgage on land in Nova Scotia. He was obliged to foreclose that mortgage and his solicitor in Nova Scotia bought the mortgage under foreclosure sale. That capitalist of the city of Boston, who, I suppose, never set a foot in Canada, is entitled to vote in this country. Yet, there are no screams from hon. gentlemen opposite because of that; there are no assertions that that is unfair. I cannot understand why these hon. gentlemen should discriminate particularly against our soldiers. In order that a man may have a vote, he must possess certain qualifications. He should have an interest in the country; he should have an intelligent insight into the country's affairs, and he should belong to the country. These qualifications are not always possessed by a voter, but it strikes me that if a person possesses these qualifications, he has a perfect right to vote. These qualifications the soldier who has joined a Canadian regiment and is fighting for this country at the front, even though he never resided in Canada, possesses to an eminent degree.

Section 1 of the Bill provides that this Act shall apply only to a general election held during the present war, or after the conclusion of peace, but before demobilization. This is a war measure. Hon. gentlemen opposite say that a British subject who has joined a Canadian regiment but who has not previously been resident in this country has no right to vote because he has not an intelligent interest in the country's affairs; he does not know the issues. This Bill applies only to one election: to the election which it has been found necessary to hold in Canada during a period of war. The main issue at this time is how this war shall be conducted. That is the most important question that confronts the country at present—indeed, it is the only question. The question is not whether the member for St. John shall return to that post which he filled with such conspicuous notoriety under the late Administration—Minister of Public Works. The question is not which party shall be in power. The question is whether we shall have a country at all or not. We must decide whether we are going to have a country before we decide the lesser point as to who shall be the rulers of it. Who, then, are in a better position to judge of what is required in the conduct of this war than the men who are actually in the theatre of war? The hon. gentleman says that there are other questions besides conscription. He says that the question of equipment for the soldiers will have to be discussed; that the question of whether or not the Government did right in supplying the soldiers with the Ross rifle will have to be considered.

What better authority on that subject can you find than the soldier at the front? He knows what kind of boots were suplied to him. He knows whether the assertions made by hon. gentlemen opposite were true, or whether they were mere buncombe. He knows that the Ross rifle was put in his hands, but perhaps he does not know who is responsible for it. Possibly he is not well enough acquainted with history to know that it was the Liberal Government and the Liberal party that foisted the Ross rifle on the soldiers of this country, despite the fact that the British War Office, the highest authority on the subject, advised that Liberal Government that it was not well that Canada should have a separate rifle; that the type of rifle used in the British and Canadian forces should be uniform; that it was better for the Empire that Canada should adopt the Lee-Enfield. The soldier knows all about the boots; he knows whether or not there is partisanship in the giving of commissions in the army; he does not have to take the second-

hand statements of hon. gentlemen opposite on that subject.

Mr. PUGSLEY: He knows about the horses, too.

Mr. DAVIDSON: He knows all about the horses; he has seen them. He does not have to read the public accounts to find out the twisted stories of perjured witnesses; he gets the information first-hand. I can readily understand why my hon. friend is not content that a man like that should pronounce on the record of his party.

Hon. gentlemen opposite object to a Britisher who has joined a Canadian regiment voting because he is not acquainted with the history of Canada. He, perhaps, has never sat at the feet of the Gamaliel whom I see opposite. He, perhaps, has never read the speeches delivered in this Parliament. He, perhaps, has never attached himself in election time either to the Grit or to the Tory camp. But I do not think that disqualifies him from voting; he has been taught in a better school. The men who have gone from the country that I have the honour to represent to join the Canadian army are the pick of the manhood; they are the men with the keenest sense of public duty. They are familiar with the affairs of this country; they know Canada's needs. These comrades in arms will constitute the school that will teach the British recruit Canadian history. It will not be upon the instruction of hon. gentlemen opposite that the British recruit in the Canadian regiment will form his views; it will be through association with the comrades who have been there and who have been true enough, loyal enough, and intelligent enough to see Canada's needs and to join the colours in order to defend the country they love.

When hon. gentlemen opposite say that a soldier of that kind is not sufficiently acquainted with the affairs of this country to vote intelligently, I wonder if they forget that there are a great many people in Canada who are not thoroughly posted in public affairs, but who nevertheless enjoy, without challenge, the right of the franchise.

Only last Saturday, if Mr. Chairman you will excuse a personal reference, I was in the province of Quebec and I happened to meet a citizen of that province. In the course of conversation, I asked him what he thought of the Military Service Bill, or of conscription. "Oh," he said, "it is a very bad measure. We were all Conservatives in this country a little while ago, but Borden has ruined this country and we are all for Laurier now." I said: "Are you quite sure you are right"?

Mr. PUGSLEY: Did he say that Borden had ruined this country?

Mr. DAVIDSON: Ruined the party—that was the cry.

Mr. MEDERIC MARTIN: Did he say that he was responsible for what would happen after the Bill had been signed?

Mr. DAVIDSON: He did not say that but I think he could have said that the man who was responsible for this troubled condition of affairs is the professional politican, the agitator, who makes firebrand speeches. But, to finish my narrative; I said: "Are you sure that you are quite right about this matter? I do not think it is going to be so serious as you think." He said: "It means taking us all away from our children and sending us into a strange land to be shot down." I told him that that was not the case, that probably not very many men would be required and that probably men who were farmers and the heads of families would not be called upon. But this is what especially impressed me. He said: "That is not the worst part of it. If I have a pig that weighs 100 pounds it is all right, but if my pig weighs more than 100 pounds I have to send all that weighs more than 100 pounds over to feed the soldiers; if I keep twelve hens it is all right, but if I keep more than twelve I have to send all over twelve to the soldiers." That was a man living right near the capital and almost in the shadow of this building. My hon. friends opposite would give the vote gladly to men of that kind but they would deny the right to vote to a man who is fighting and dying for this country in the theatre of war? To me that seems absurd. Men over there who know all about the situation, who know all about our military needs who know why we fail and why we succeed, who go to sleep to the music of the artillery and are wakened by the crash of shells, these men who bivouac day after day with death, are to be told that they cannot be entrusted with the sacred task of deciding what the policy of this country should be. Some hon. gentlemen opposite contend that it is almost a crime to allow these men to vote.

One hon. gentleman this afternoon—I think the hon. member for North Oxford (Mr. Nesbitt)—claimed that it was going to lead to a great deal of corruption which would mean a dishonest and corrupt elec-

tion. I am bound to say that I cannot accept that doctrine. I think it is possible perhaps in this country to find men—and I hope they are few—who will accept bribes, men who will decide upon issues not because of their merits but because of personal, and perhaps party, considerations, but I believe that these men who are fighting for our country, who are living in constant fear of death, who are bivouacked with death itself, who realize the stupendous danger of the situation, will spurn any attempt to influence them to vote in any way which would not be in the interest of the country. These men, whether they have been previously resident or not, are our soldiers and, as long as they wear the Canadian uniform, as long as they are in the service of our country, are our citizens. If any one of these men should die it would be to this country that his dependents will look for support and that support will be gladly given. When news comes out reporting achievements of one of these men if they have brave achievements, there is no place in the world where these achievements will evoke so much pride as in Canada. That is the kind of man that this Bill proposes to give a vote to. While I am perfectly agreed that at this critical juncture in the affairs of this country the franchise should perhaps be restricted, we should hesitate long before we deny to the man who is fighting our battles the right to have a share in determining what the policy of this country shall be during this crucial war.

Mr. A. K. MACLEAN: The hon. member for Annapolis (Mr. Davidson) stated that this Bill does not involve the question of what Government should be in control of public affairs; nor is it important to consider which party is in power in this country. In that statement I am sure we can all agree with him. For the life of me I cannot see how it is possible for the membership of the House of Commons to divide on party lines upon a question of this kind. I regretted hearing one or two hon. gentlemen opposite rather insinuating that, because one does not agree with the principle of this Bill, therefore, he is discriminating against the Canadian soldier. That is an unfair suggestion to make, and, as far as I am concerned, I resent it altogether. Personally, I would not care if every soldier enlisted in the Canadian force was given the vote. It would matter little to me personally; personally it would matter little to any member of this House, but we are dealing with a piece of substantive legislation which has to do with the franchise. The franchise has always been in all countries a question of citizenship. We should settle this Bill upon some principle. There is no desire on the part of any hon. member on this side of the House to do an injustice to anybody who is fighting in the Canadian forces to-day. It is rather unpleasant to make any suggestion in the way of an amendment to the Bill which gives anybody an opportunity of making any insinuation. I do so simply because I believe the principle involved in the particular section which we are discussing is unsound. The member for Annapolis justifies his position by reference to the Franchise Act of Nova Scotia wherein it is provided that ownership of real estate carries the right to the franchise on the part of any British subject. That will only carry the hon. gentleman a certain distance because in most of the provinces of Canada residence in addition to ownership of real estate is necessary to qualification to vote. So, my hon. friend does not get very far with the argument because the majority of the provinces require residence as well as real estate property qualifications. I doubt very much if England would follow our example if they were enacting legislation of this character. Take the aviation service; I am told that in the Royal Naval Air Service sixty-five per cent of the men are Canadian born. It is quite proper that we should provide a method by which they could exercise the franchise at the first election but I doubt if the British Parliament would give them the franchise simply because they constitute a large portion of that force.

I think the suggestion in the Bill is fundamentally wrong, and it is for that reason that I oppose it. It is true, as the Minister of Justice says, that there are only a few men in the whole Canadian force who will be affected by the Bill, and by that reasoning possibly we might forego our objection, as little harm would come if they were allowed to vote. But there is a principle involved.

Mr. ARTHURS: Will the hon. gentleman explain the difference between a couple of hundred non-resident voters of British nationality voting in Nova Scotia and an equal number voting of those who were born outside of Canada and who join our forces, say in England? The number is very small in each case.

Mr. A. K. MACLEAN: That is quite true. But I understood the minister to be impressed by the contention raised on this side of the House that a British subject joining the Canadian forces in Great Britain might well be disqualified, and he promised further consideration. If it transpires eventually that the Minister of Justice will submit an amendment that British subjects, citizens of Great Britain, joining the Canadian forces in the United Kingdom, shall not exercise the franchise under this Bill, I should say that was quite a proper provision. But if he does that I think he is precluded from asking this House to accept the principle contained in this section. This section is, I think, out of harmony with the whole purport and spirit of the Bill. In order to make my point clear I must refer the comittee to section 3 . That clause is not before us, but really we should look at that in considering this clause. Subsection 2 of section 3 requires that a voter, on presenting himself, must state the electoral district wherein he last resided, during a restricted period at least. Then there is another provision to the effect that if he cannot state or specify a residence he shall be deemed an elector from such electoral district as he may indicate. Supposing he had never been in Canada prior to his enlistment. Imagine the case of his proceeding overseas the day after he enlisted. Theoretically at least he would not know the name of a single electoral district in Canada. Take a case put to me after six o'clock this evening by a member of this House whose next opponent is an officer commanding a Canadian regiment in France. Say that, of 1,000 men, 999 came from the colony of Newfoundland and the British West Indies, and that they did not know any of the electoral districts of Canada; it would be quite evident that they could not state the electoral district in which they resided continuously for a certain period in Canada, because they had never resided here. They could not indicate any electoral district to which they desired their vote allocated. What would be the consequence? They would be entirely under the domination of their commanding officer. I do not say that would happen, I have no fear whatever of any improper influence being exerted in the taking of these votes overseas. But I submit that, when you point out the possibilities for the exercise of improper influences, you thereby point out fundamental weaknesses in the Bill, and we, as representatives of the people, seriously considering an important piece of legislation, are bound to take that into consideration.

I was rather impressed by the suggestion made by some hon. gentlemen opposite that the Canadian enlistments include a large number of Canadian born who, prior to the outbreak of the war, were residing in the United States. I think that case might be fairly met in some way or other. They were British subjects, they were Canadian citizens, and I think that it is quite a fair suggestion to make that, having returned to Canada, enlisting in the Canadian forces, that should be considered as tantamount to a return to Canada, and their training period should be considered as a period of residence to qualify them for registration under the Franchise Acts of the several provinces. That is a different proposition, however, from the case of men who never resided in Canada or whose parents never resided here. I suggest that an amendment should be prepared to meet a case of that kind, and I should be very glad indeed to support it.

Mr. ARTHURS: I think this argument might be divided into two parts; first, the man who enlists from a foreign country, and second, the British citizen who has joined the Canadian forces at some point outside of Canada. I consider that if these men were numbered they would be found to be very few indeed, and I would suggest that they might easily offset those men who under like circumstances might vote, for instance, in Nova Scotia. But, leaving that to one side—because I believe that there is perhaps something in what the hon. member for Halifax (Mr. A. K. Maclean) says and the Minister of Justice said something about accepting an amendment along that line—the other arguments he has put up do not appear to bear any weight, for various reasons. It has been said, I think by the hon. member for St. John (Mr. Pugsley), that these votes could be bunched in certain places, that these men could be forced to vote in certain named constituencies. I venture to say that there are thousands of men in any province in Canada today who cannot name the constituency in which they are living. This is equally true of the men overseas. There is a second suggestion. I know whereof I speak regarding Ontario, and I believe that it is true of many other provinces. We have part three of the voters' lists, or manhood suffrage registration. These men, workingmen in

various parts of the country, are registered immediately before an election. They may be in one constituency at one time and in another at another time, and if they were required to have fixed residence in a constituency for any certain length of time, other than a very short one, they would be unable to qualify under the Ontario Act. That is one reason why the Act of 1915 regarding the soldiers' vote was manifestly unfair, and it would have disfranchised thousands of men who went overseas at that time, men who perhaps were residing in the Northwest provinces, who came home a month or two before enlisting and who lost their residence in the West, and in any event might not have chosen to let their votes go if they had a choice, but would have preferred to vote in their home constituencies. These men would be disfranchised under the 1915 Act, and I think it legitimate that these men should, under the terms of this Act, be allowed to vote and have their vote counted in the constituency named by them. In 99 cases out of 100 they would be able to name the constituency they came from, the constituency in which they were trained, at least. Their residence there would have given them a very fair insight into local conditions in that constituency and of general conditions throughout Canada. These men, on the average, are trained in Canada from six months to nine months, and I think that should count as full residence, even to men from outside points who enlist in Canada. I know the case of a couple of men originally from Guysborough, and who came, one from the Fiji Islands and one from Australia. They were civil engineers who came to Canada with the intention of taking out commissions, but found that there were no vacancies and eventually enlisted in the battalion which I took overseas. These men will undoubtedly desire to have their votes recorded in Guysborough if they are allowed to vote. I think they have a perfect right to vote, although not residents of Canada at the beginning of the war, and although they only came here for the express purpose of enlisting. I think this Act can be worked out easily and fairly, and I am satisfied that in working it out there will be none of this trickery we have found so many times in Canada. I am satisfied if a man is given a fair opportunity to record his vote over there. he will do it in all fairness, and nobody will suffer.

Mr. GERMAN: My hon. friend made an exceedingly patriotic speech such as we usually hear from Conservative politicians at election time, who shout for the old flag and an appropriation, and say that every one who opposes a suggestion made by them is unpatriotic. No one in this House will contend that men who are fighting the battles of Canada should not have votes. I, for one, most certainly would not. But that is not the object of this discussion. The object is to have the Bill framed in such a shape that when these men cast their votes, those votes will be recorded in proper places, and that the votes may not be colonized or hived in some localities, to suit the exigencies of the occasion, which could be done very easily under this Bill. Whether it would be done or not is another question. However, it is better to avoid temptation than to be led into it. The Minister of Justice is allowing himself to be led into temptation in this matter. The hon. minister says that every elector, having joined the Canadian forces, whether in Canada or outside of Canada, whether ever having been in Canada or not, shall be entitled to vote. He may never have seen Canada, may know nothing about the country and may know nothing about the election or about constituencies. He is a British subject, having joined the Canadian forces, outside of Canada, and he casts his vote. How does he know in which constituency his vote will be recorded? Who will record it? How easy it would be for any one—I do not say this would be the case, but it might happen—by a little manipulation over there, to colonize a lot of those votes in some constituency where there is a close contest, and thereby change the result of the election by that very vote. Anybody who knows anything about elections knows that could be

9 p.m. easily done, and I submit that before the Bill is passed provision should be made to prevent the possibility of manipulation. We cannot afford to place on the statute book a law which will present such opportunities for fraud. I am not charging that any one will be guilty of fraud, but it will leave the door open for such glaring fraud that it should not stand on the statute book of Canada.

Then, I ask who is a minor? Any one below 21 years of age is a minor, and a minor, either male or female, can be appointed, enrolled or enlisted in some force a few weeks prior to the election, and have the right to vote at the election. Hundreds of thousands of them could be appointed under this Bill. I ask the Minister of

Justice if that is proper legislation to be placed on the statute book, permitting such latitude as that. No one can deny my statement.

Mr. DOHERTY: Is the suggestion that because we provide that people who are enlisted in these different forces are to have votes, it means that we can make voters by enrolling people for the express purpose of voting?

Mr. GERMAN: That is absolutely the suggestion.

Mr. DOHERTY: I plead innocence to that charge. It never occurred to me that it would be suggested that the military authorities of this country were going to proceed to enroll people, merely for the purpose of allowing them to vote.

Mr. GERMAN: They may be innocent also. Let me call attention to another phase of the situation. The ordinary constituency, say in Ontario, will consist of about 60 polling subdivisions, on an average. You could take three young men under 21 years of age, under this Act, prior to the election, in each polling subdivision, without any fuss or feathers, without any knowledge, perhaps, on the part of the Minister of Militia, of there being any wrong-doing, and you could enroll or appoint them to the Royal Canadian Navy, or to the Royal Naval Canadian Volunteer Reserve, they do not go overseas—

Mr. PUGSLEY: Or the aviation service.

Mr. GERMAN: Yes, but particularly the Naval Service. They are not called out to fight. They could be enrolled, and no one would notice it, or think anything about it. If you appointed three in each subdivision, on the day of the election you would have 180 votes, which might easily turn the scale. All you have to do is to direct attention to this, and hon. members can see what might happen. I am not saying it will happen; but I submit no law should be placed on the statute book which would permit a latitude of that kind, and I insist that it must be changed. I am not opposing the right of the soldier to vote. If a soldier enlists as a British subject, whether he comes from the United States of Hong Kong, he is a British subject, has joined the forces and gone to fight the battles of Canada, and I am prepared to give him the vote, but I say that his place of voting should be designated, and should not be fixed by some political manipulator.

[Mr. German.]

Mr. DAVIDSON: Where would the hon. gentleman suggest that a person who had never resided in Canada should poll his vote, if not where he wanted it polled?

Mr. GERMAN: I say it should be cast in the electoral constituency where the regiment to which he was attached was raised. If that provision were inserted, it would be known where all these votes would be counted, and a bunch of them could not be colonized in one particular place. The great danger is in a bunch of votes being cast in one constituency. A few votes of that kind might be recorded and counted promiscuously throughout the whole electoral district, and would not be of much consequence, but the colonization of them in some particular locality might have the effect of turning the scale. We should have some provision with reference to minors. A young man who enlists for overseas is supposed to be 18. Why go under that age? Some are under 18. Under this Bill, you may have a minor ten years old, or five years old or an infant in arms. Of course, they would not vote, but you are leaving the door open to an opportunity for wrong-doing, and that opportunity should not be given in a measure such as this providing for the peace, order and good government of Canada.

Mr. DOHERTY: I quite agree with the hon. gentleman, at all events, in one respect, that is, that there are two distinct questions involved here: First, should we give the vote to the soldier who had not been a resident of Canada? Second, if we do give him a vote, then where are we going to allot his vote? The hon. member for St. John (Mr. Pugsley) warned me as to what I would have to consent to being suspected of if I adhered to this proposal, and he expressed a great deal of scandalized horror that the proposal should have been made. As regards giving the vote to the soldier, even although he had not resided in Canada, I gave, before the committee rose at six o'clock, some reasons which, in my judgment, seemed to quite justify that action on our part. A great deal is made of this question of non-residence in Canada. My hon. friend from Annapolis (Mr. Davidson) has demonstrated that there are to-day in some parts of this country, and there certainly have been in the past—and not a very remote past—in other parts of this country, a perfect recognition of the right of the British subject, non-resident in Canada, when he has certain other qualifications, to vote. In Quebec, until 1912, when

we had the introduction of the "one man, one vote," and when in consequence there were certain modifications made, including, I believe, the requirement of residence for the exercise of the franchise—I am not saying that positively, because I have not had occasion to look very carefully into the statute—the British subject, who owned real property in that province, was an elector in that province and, being such, was an elector in this Dominion. Not only does that result from the provisions of the Dominion Elections Act from which the hon. member for Annapolis (Mr. Davidson) read, making the lists provided by the provinces valid lists, but we have a special section of the Dominion Elections Act still in force recognizing the right of non-residents to vote, and it is headed "Non-resident electors," and provides that:

> The provisions of the law of the province as to the places where non-resident electors shall vote shall apply mutatis mutandis to any Dominion election, and the returning officer at such election shall have the powers and be charged with the duties of the sheriff or returning officer under such provisions; but nothing herein shall enable any person to vote by schedule or otherwise than by appearing personally.

Mr. GERMAN: Is that vote counted except on a recount?

Mr. DOHERTY: That vote is counted. That man presents himself at the poll and registers his vote. What is guarded against is anybody voting otherwise than by presenting himself personally at the poll. But the fact that, as I understand it, still in Nova Scotia and certainly prior to the time to which I referred in Quebec, a person, being a British subject and a property holder in a constituency in one of those provinces, had never resided in the Dominion would not prevent him, if he came over and presented himself at the poll, from registering his vote. I mention this only to point out that this is not the astounding innovation that is suggested.

Mr. MARCILE: It is a mistake to say that a non-resident in Quebec who is a property holder has a right to vote.

Mr. DOHERTY: I am not stating that that is so at the present time.

Mr. MARCILE: He must be a resident.

Mr. DOHERTY: If the hon. gentleman will follow me—I have under my hand the Quebec statute of 1912 which modified the law in that regard, but the law, as it stood before 1912, not only recognized the possibility but expressly declared that people who had not been resident for a year past in the province, with the exception of proprietors of real estate, should not be entitled to vote. The statute of 1912, by which the "one man, one vote" system was introduced, amended that law by striking out the exception, so that I am not contending that to-day it is so. I am pointing this out only to show that this is not the extraordinary innovation that is suggested. It follows that residence has not been a universal provision; at all events, it has not been looked upon in the past in this country and to a certain extent at present it is not looked upon in this country as an essential qualification for voting. There is room for difference of opinion, but I am not going to be led into discussions about motives. If it does anybody's heart good to suspect me of evil motives in this regard, then I hope his heart may rejoice to its full extent.

Mr. PUGSLEY: We shall say that the minister is absolutely innocent.

Mr. DOHERTY: I hope the hon. gentleman on the other side who smiles at that assurance will derive all imaginable happiness from the confidence and the conviction that my motives are of the very worst. That will not alter what is right or wrong about this question. The question as to giving the right to vote after all comes back to this: Does a man, by constituting himself a member of the Canadian Forces and risking his life for the defence of Canada, giving to Canada the credit and the glory of whatever he may achieve, link himself sufficiently with Canada to entitle him to be put upon a footing with any British subject who may steal into this country looking to make some money and settle down in some place for five or six months with a view to earning what he can earn there, and who may go away the next day. I am not saying that the argument is all on one side, but it seems to me that the soldier, under those circumstances, has as intimately connected himself with Canada and has, in addition, demonstrated that his desire is that the connection on his part should be one of service and of sacrifice as has the gentleman, who has come in here merely for his own pleasure or his own profit, and certainly demonstrated that his desire for connection with Canada has not as its basis any desire to be of service to Canada. That it is a proper thing to give the vote to the soldier—I still cannot get away from the conviction, even at the risk of having imputed to me the motives that are suggested, that it is the proper thing to give

him the vote, both because he deserves it and because it is good policy on Canada's part to try to bind to herself the man who has given such evidence of desiring to be a serving citizen of Canada—that is one question.

The other question is, if we are right in giving them the vote, how are we going to deal with the allocation of the votes? In giving the vote, I would point out that we are not in reality making a substantial departure from the provision of the Act as it stands, because, although that provision requires thirty days residence in Canada before enlistment, all the objections that are made to giving a vote to a man who never resided in Canada surely apply with equal force to the man who has been but thirty days in Canada before enlisting. Is there any remarkable difference, as to their knowledge of political questions and the candidates and the constituencies, between the man who came into Canada the day before he enlisted, and the man who came in thirty days before he enlisted? The provision of the present Act has been spoken of as being eminently fair, and was agreed to by this House when the Act was passed.

Mr. NESBITT: The man who had resided in Canada thirty days before enlisting would know what section of the country he was in.

Mr. DOHERTY: He might have that knowledge without having knowledge of the name of the constituency. But I understood the objection of my hon. friend to rest mainly on the question of allowing him to select his own constituency. I understood that also to be the main objection of my hon. friend from Welland, and I was endeavouring to point out that these were two perfectly distinct questions. I am quite prepared to admit that there is possibility of abuse under the system that allows a man to indicate the place where he may vote, but there is possibility of abuse, I think, under any system which we adopt with regard to that man; and if you adopt the system—and we have thought of many different systems—of saying that he shall vote in the constituency in which he enlisted, you have not only the possibility, but the certainty, of hiving, because it happens that in certain constituencies of this country there were very large enlistments of people who came from different places.

Mr. C. A. WILSON: Since the Soldiers' Voting Bill was passed we have had a Redistribution Bill, and a certain portion of the county of Laval has been divided into four parts, one part forming the new division of St. Denis, and the other three parts being annexed respectively to Two Mountains, Jacques Cartier and Maisonneuve. I feel satisfied that some of my constituents who are at the front would not know what constituency they were in. It seems to me that instead of the soldier being allowed to make his choice, his vote should be cast in the parish from which he enlisted.

Mr. DOHERTY: If the hon. gentleman will allow me to dispose of one question at a time, I will conclude what I was endeavouring to say, and then be very glad to deal with his question. We did consider different systems, notwithstanding that we were intent, according to the hon. member for St. John, upon finding a method whereby fraud could be committed. We looked at the different systems with a view to finding a practical way out, and we have not closed any door yet. The hon. member for St. John may be as offensive as he knows how—and that is saying a good deal—but he will not succeed in inducing me to close a door to anything that will insure a fairer application of this law in my judgment than the present draft does. I give him carte blanche, let his language be as strong as he likes. I am here to get through the House a measure which, as I lay it before hon. gentlemen, I do not believe to be perfect, but which was intended to produce the result I announced at the outset, of securing the vote for as many of our soldiers as possible, surrounding it with all possible safeguards, but not so as to make it practically impossible for anything like a full vote to be taken.

Let us suppose for a moment that, with the exception of myself, everybody is trying to find a fair way of doing this thing. I am the man that was found out by the hon. member for St. John—

Mr. PUGSLEY: The man whose Bill was found out.

Mr. DOHERTY: Let us put it that way; the hon. gentleman is beginning to moderate. What are you going to do with that soldier vote? Are you going to hive all the votes in the places where the soldiers happen to have enlisted? Is that fair to the constituencies where the largest enrollment took place? Is it fair that because they attracted soldiers, and got a large number of enlistments, that all these men should be forcibly put upon them? I understand that many of these men would be in the

position pointed out by the hon. member for Laval, and would have difficulty of their own knowledge in defining the limits of particular constituencies in Canada, but I hardly think that they would have passed the period of training, which in many cases extends over a period of six months, without finding out something, if not about the electoral divisions, at least about the village or town or city in which they enlisted; and if they found that out, they would at least know something of that constituency. I do not think it unreasonable to suppose that they would hit upon the particular constituency in which they enlisted. But that is one thing, and it is another thing to impose them absolutely on that constituency.

One suggestion was, that we allocate the votes to the places where the soldiers enlisted. If we did that, we should have an undue proportion of these men landed into constituencies which happened to be good enlisting centres. The suggestion was also made that these soldiers should be made to vote at the address that they gave in their attestation papers, and I may say that that was a method that suggested itself as having much to commend it, and I believe it was the method that was adopted in Australia, but we did not get very far with that before it was pointed out that with that too, you would get an undue proportion—a large number of drifting people, so to speak—who would give their address as being in the place where they attested.

For instance, with regard to the first contingent that system would probably have captured for somebody the county of Quebec, because in and around Valcartier there would have been a large number of people who never had any connection with that county at all, but who had named as their addresses certain places in that neighbourhood. So that there, instead of creating the possibility of hiving people, you were getting a certainty of hiving people. It is possible that some people may endeavour to use influence to induce these men who are given the opportunity of indicating their place of voting to vote in one place rather than in another. But before we get through with this Bill we will see that there is the same opportunity for exercising that influence on the part of one party as there is on the part of another. It is true that the presiding officers are, as in this country the returning officers are, to be named by the Government, and that the presiding officers are to name the deputy presiding officers, just as in this country the returning officer names the deputy returning officer. But provisions are made to secure representation for the different parties interested. All these presiding and deputy presiding officers are to be taken in the military forces; all this is to be done within what might be called the military home. Why is it presumed that there will be greater power on the part of one party than on the part of another to indicate places which they would desire these men to select as their places of voting? The field is open, I have no doubt that there may be requests, solicitations or suggestions that the men vote in one place rather than in another. But why we should have reason to anticipate that, from one side more than from the other, there should be an endeavour to concentrate these people on any particular constituencies, I am quite at a loss to see. When we cannot find any method of defining where these people are voting, without actually by the law itself making them swamp some particular constituencies, why should we think that it would be a greater evil that that might possibly happen under this system than that it would certainly happen under the other? I do not want to close the door upon any suggestion that will meet the real difficulty that presents itself. For my part, I think that these men ought to be given the vote. As has been pointed out, this legislation is only for an election that may be held during the present war. We are not going to make these men voters forever; we are going to recognize them as voters so long as they are soldiers.

Mr. GERMAN: But their votes will have an effect long after this war is finished.

Mr. C. A. WILSON: So long as there is a general election during the war, not a by-election?

Mr. DOHERTY: Not a by-election, no. But to answer the question of the member for Laval: I quite believe that a large number of soldiers who have actually been resident in Canada will not be able to give the name of their electoral division. I could pick out numbers of people in the city of Montreal who, I am quite satisfied, if somebody did not explain to them once in a while when an election is coming on where the boundary line runs between St. Anne and St. Antoine, would not be quite sure whether they were voters in the one district or in the other. And there will be soldiers on the other side who will not be able to give that information. But we have not left the matter in the position in which the hon. member for Laval supposes it to

be. Subsection 2 of section 3 reads as follows:

If he can state the electoral district wherein he last continuously resided during at least ..... months of the year immediately preceding his appointment, enlistment, enrolment or calling out on active service, or so particularly specify a place or places within an electoral district whereat during such period of time he so resided that such electoral district can therefrom be ascertained, he shall be deemed an elector of the electoral district so stated or to be ascertained, and his vote shall be applied thereto.

Mr. C. A. WILSON: That is what I object to.

Mr. DOHERTY: Does the hon. gentleman object that the man will not be able to indicate his electoral district?

Mr. C. A. WILSON: What I object to is that a man who was resident in the county of Laval as it stood before redistribution should choose as his place of voting any part of that county that now belongs to another constituency. I wish his name to remain on the lists of the electoral district in which he lived; then he will be bound to vote in that electoral district. I want him to have the privilege of voting, but under this measure the civil or military authorities can say what part of the county that man comes from, and he will have to vote there, notwithstanding that it may now be in another electoral division.

Mr. DOHERTY: Suppose a gentleman resided in the village of Ste. Rose, which is in the county of Laval. There has been a redistribution. That gentleman now knows that he lived in the village of Ste. Rose, but he does not know in what electoral district that is. In that case, he will say: I resided in the village of Ste. Rose for such a period of time. From that statement that he resided in the village of Ste. Rose, the electoral county to which he belongs can be ascertained. The fact that he stated that he resided in the village of Ste. Rose will be on the back of the envelope in which his ballot is contained. The first operation of the returning officer to whom that goes is to assort the ballots, and he will see on the back of that ballot that this man resided in the village of Ste. Rose. He will be provided by the Clerk of the Crown in Chancery with the necessary charts and documents showing the limitations of the constituency. He will turn to those and see that the village of Ste. Rose is in the present constituency of—whatever it may be. That envelope, unopened, will be assorted with the votes for the county in which the village of Ste. Rose is situated and the man's ballot will be counted in that very county in which he as a resident of Ste. Rose belongs. The only man who is to have a chance to indicate where he desires to vote is the man who neither knows the name of his electoral constituency or is in a position to name a place or places in which he resided or from the naming of which the constituency can be ascertained. In the case suggested the man was in a position to tell where he resided. He will be asked where he resided, not merely in what electoral district he resided.

If he says, "I resided in such a county," we know as far as he can tell us. If he says, "I cannot tell the county," he will be asked, "What place did you reside in?" In the instance mentioned, he will give Ste. Rose and Ste. Rose will give the constituency. You may have to get more particulars when you get into city constituencies, such as streets and numbers. From streets and numbers you will ascertain by reference to charts, which have been prepared showing the limits as fixed by the Redistribution Act, in what constituency the man is. There is no ground to apprehend difficulty in so far as regards a man who knows where he lives, whether he knows the name of the constituency or not; that man will vote in the constituency in which he lives.

Mr. PUGSLEY: Except that he is required to select the district.

Mr. DOHERTY: If my hon. friend expects to find in this section all the provisions of the law I am afraid he will not find them because this does not say so.

Mr. PUGSLEY: If the minister will kindly look at form B, page 16, he will find the following:

6. Specify the names of the place or places in Canada (giving streets and numbers when possible) whereat you last continuously resided during at least.... months of the year immediately preceding your appointment, enlistment, enrolment or calling out on active service.

7. State if you can the electoral district wherein such place or places in which you so resided are situate.

Electoral district .....

Province .....

8. If because of non-residence or otherwise you cannot specify or state as required by questions No. 6 and No. 7, to what electoral district do you desire your vote to be applied?

Unless he can answer both 6 and 7 then he selects his own district.

Mr. DOHERTY: If he cannot answer 6 and 7 he shall elect; that is if he can answer neither one nor the other.

Mr. PUGSLEY: Yes.

Mr. DOHERTY: If he can answer either one then he is not in a position where he cannot answer one or the other.

Mr. PUGSLEY: Unless he answers both he selects his own district.

Mr. DOHERTY: This is brought to my attention in the middle of the discussion of another section. It is possible that the word "and" should be "or" and perhaps we will have to make it "or" when we get to it. But if we could keep to the section we are dealing with, possibly we could get at a practical result. I am anxious to receive criticisms and suggestions in a good spirit and try to meet them. I would remind hon. gentlemen that it is the section that makes the law, the form should comply with the section and if it does not, we will have to correct it.

Mr. C. A. WILSON: If the language of the law was as plain as the language of the minister, I would not complain. But what is reported in Hansard is not the law. What will be brought before the courts and before the electors will be this Bill after it is passed. I cannot read subsection 3 in any other way than as it is set down here.

If he cannot, because of non-residence or otherwise—

Or otherwise.

—so state or specify, he shall be deemed an elector of, and his vote shall be applied to, such electoral district as he may indicate.

Supposing he says "I am a resident of Ste. Rose; I do not know in what county it is now, and I do not care"—what county do you choose? If a man so state or specify his vote shall be applied by somebody, not himself, to such electoral district as he may indicate.

Mr. DOHERTY: If the hon. gentleman will read what the voter has to state or specify, he will see that it is one or other of two things. In subsection 2 we have no trouble about our conjunction:

2. If he can state the electoral district wherein he last continuously resided during at least .....months of the year immediately preceding his appointment, enlistment, enrolment or calling out on active service, or so particularly specify a place or places within an electoral district whereat during such period of time he so resided that such electoral district can therefrom be ascertained, he shall be deemed an elector of the electoral district so stated or to be ascertained, and his vote shall be applied thereto.

Subsection 3 is for the man who cannot state his electoral district and who cannot specify the name or place where he resided so that from the name or place it will be possible for the electoral district to be ascertained. If he can do either one or other of these two things the subsection does not apply to him. It is only if he can do neither of these two things that subsection 3 applies.

Mr. PUGSLEY: The minister ignores the form altogether.

Mr. DOHERTY: The form is not in the present section and we are dealing with the section. If the form has not been printed to conform to the section, we will amend the form when we reach it.

Mr. C. A. WILSON: What would the minister suggest will be the procedure with regard to the man who says: "I am from the United States; I do not know anything about the electoral districts of Canada; I want to vote and I want to vote for the Government," let us say. "I do not care where I vote." How will you apply that vote?

Mr. DOHERTY: If he cannot give information under section 2 which will indicate where he would like to vote, I am afraid he will have to do without voting. This is a Bill to afford an opportunity of voting; but it is not a Bill to compel people to vote. We are providing not to take the horse to the water but to take the water to the horse, and when we have got it there we cannot make the horse drink. If a man will not indicate any constituency you cannot make him vote.

Mr. C. A. WILSON: He does not know any.

Mr. DOHERTY: I should think that a man who desired to vote and who had the right to select a constituency would ascertain from his comrades.

I should think that, if he cared to vote, he would ascertain the name of some constituency from the other soldiers or from the representatives of the two parties who would be present. His one desire would be to register a Canadian vote, and he would have no trouble in ascertaining the name of a constituency.

Mr. NESBITT: That is the difficulty; he will have no trouble, but he will be influenced entirely by the officer.

Mr. DOHERTY: As things are in our elections at home people are apt to be influenced by men all around them. Is it a serious objection that a man should be asked to vote in a certain constituency? Perhaps I would say to him: I would be glad to have you vote in Ste. Anne, and

the hon. member for North Oxford might say that he would be glad to have him vote elsewhere.

Mr. PUGSLEY: Or out in the Yukon; some place where there is a very narrow vote.

Mr. DOHERTY: If it is right to give him the privilege of voting, are we to refuse to him that right because he may be influenced in its exercise? At that rate we would have to refuse the ballot to every voter in this country.

Mr. PUGSLEY: Supposing it was suggested that every Canadian soldier, although he has a residence in Canada, should be permitted to select his constituency anywhere in Canada. Why not give him the same privilege that you give to the American, the non-resident?

Mr. DOHERTY: Because it is possible to attach the man who has resided in Canada to a constituency.

Mr. PUGSLEY: But why treat him worse than you treat the non-resident?

Mr. DOHERTY: Because if we could pick out a constituency for the other voter we would do so.

Mr. PUGSLEY: The minister must think it an evil to allow a man to pick out any one of the 230 constituencies in Canada and to allocate his vote to it, and yet he proposes to give to the non-resident that right, although he may have no interest in the future of Canada.

Mr. EDWARDS: Does my hon. friend say that a man, even although not a native-born Canadian, who has come to this country and enlisted and gone overseas, might have no interest in the future of Canada? That was the hon. gentleman's statement.

Mr. PUGSLEY: I have not said that. The Bill does not limit it to the case of a non-resident who has come to Canada to enlist, but extends the right to a man who may have enlisted in England. He may never have set foot in Canada. He may have enlisted in the Bermudas, and yet, because he attaches himself to the Canadian Expeditionary Force, he is permitted by this Bill to vote and to select his own constituency in any part of Canada.

Mr. EDWARDS: Would my hon. friend not allow that man to vote?

Mr. PUGSLEY: I am opposed to giving the vote to any man who has not been a resident of Canada. Yes.

[Mr. Doherty.]

Mr. EDWARDS: I am very glad to have my hon. friend on record.

Mr. PUGSLEY: I have been on record all afternoon.

Mr. A. K. MACLEAN. The Bill defines military voters to include all members of the military forces mentioned here, or anyone who has been honourably discharged therefrom. Some 65,900 men were discharged from the Canadian forces up to the 14th of June who never proceeded overseas. I assume that they have obtained discharges, although I am not sure. Under this section they would be military electors in this country. Supposing 20 per cent of them were under age, that is under twenty-one years of age, that would mean that 13.000 or 14,000 of these people in Canada would have votes.

Mr. EDWARDS: As a matter of fact, how many are there?

Mr. A. K. MACLEAN: I do not know, but I assume 20 per cent. Many of these would be in the force from a few days to six months, and the question arises in my mind whether it is necessary or proper that they should be made, by statute, military electors in Canada. Many of them never intended to proceed overseas. I think the provision should be modified in some way. Then there were discharged in England, up to June 30, some 4,380 men. I assume that these were British-born who enlisted in Canada and proceeded overseas with various regiments, men who were entitled to be discharged in Canada but preferred taking their discharge in England because they intended again taking up residence there. It is worth the minister's while considering whether these should be qualified as electors in Canada under this section.

Mr. ARTHURS: A number of those men were probably discharged in England for the purpose of taking out commissions in either the Canadian or the Imperial army.

Mr. A. K. MACLEAN: I should like the minister to keep these two points in mind. I wish he would explain what is covered by the auxiliary motor boat patrol service. Is that service organized, and, if so, where does it exist? Is it to proceed overseas?

Mr. DOHERTY: It is overseas.

Mr. EDWARDS: In what position is the Canadian soldier, having enlisted here, but having gone overseas and been transferred from the Canadian force to a branch of the Imperial Army?

Mr. DOHERTY: Under the section in the Bill as introduced, the vote would not be extended to Canadians who form part of the Imperial Force. As I explained when the Bill was introduced, the reason we had not included Canadians in the Imperial service was that we had not been able to devise means whereby we would be able to take their votes. A suggestion was made when I introduced the Bill which led to further consideration being given, and we have reached a conclusion to amend this definition, so as to include men of Canadian citizenship serving in Imperial forces. We might not be able to find the men, and the presiding officer might not be in a position to obtain their vote. We shall amend the section to meet that case.

Mr. L. A. LAPOINTE: The Bill says that every military elector shall be qualified and entitled to vote at a general election. That is quite clear, and then the Bill tells us what a military elector is. The section reads:

"Military elector" means and includes every person, male or female, who, being a British subject, whether or not ordinarily resident in ada, appointed, enlisted, enrolled or called out dian, has been, while within or without Canada, appointed, enlisted, enrolled or called out for active service as one of the Canadian Expeditionary Force.

My two points are on the words "minor" and on the words "called out". Under the ordinary law in our province an elector must be 21 years of age and a British subject

There are some other provisos.

10 p.m. but the age must be 21. I desire to ask if this Bill is applicable to the conscription law, because, under section 2 of the Military Service Bill, the Government will take the right to call out classes of the ages 20 to 35. If the Government calls out classes 1 or 2, that will include everybody who will be conscripted, and it will also call out electors who would otherwise have been considered minors. Thousands of young men would be called out. I am not opposed to these young men having a vote, but it would make a big difference in the city of Montreal. It would be interesting to know that at any moment the Government could put in a constituency like mine thousands of young men, who, I thought would have no vote. I should like to know, if this measure is applicable to the conscription law, because I see in clause 2 of the Military Service Bill the words:

2. (1) Every male British subject who comes within one of the classes described in section three of this Act, shall be liable to be called out as hereinafter provided on active service in the Canadian Expeditionary Force for the defence of Canada.

These are exactly the same words as in the Bill before us. If this Bill is passed, thousands and thousands of young men in my hon. friend's district in Montreal could be called out and given a vote. I should like to know if that is going to be done. I might go a little further than my hon. friend from Welland who speaks of three votes in each of 60 different polling subdivisions, which give a total of 180 votes. We might have a good many more votes in each division in Montreal than my hon. friend from Welland suggests.

I was going to raise the point suggested by my hon. friend from Halifax, in regard to the discharged soldiers who are not 21 years of age. They have enrolled from the age of 18 up, and the Government could put a lot of voters in the different divisions of Montreal and in other places, because, in my opinion, at any time the Governor in Council by proclamation could call out on active service, as aforesaid, for the defence of Canada—exactly the same words as in the other Bill—thousands of young men would have a vote, three weeks before polling day. I desire an explanation on that point, because I want to know where I stand.

Mr. DOHERTY: I might first deal with the question asked by the hon. gentleman from Halifax. I understand his first question to be whether it was intended that the honourably discharged soldier should have the vote as a military voter. I may say that was the intention, and I think that is the effect of the section. The intention was that the military vote should belong, not only to the soldier actually in the performance of his duty, but to the man who has been a soldier. The principle object in view was to assure the vote to the returned soldier, but it operates, and it was intended to operate, so that the vote could be secured to the honourably discharged soldier. It is quite true that the provision may operate to give a vote to a certain number of soldiers whose service was, perhaps, of not very great value, but it will only be such soldiers as gave the service that they were able to give, and ceased to be soldiers simply because they were honourably discharged from service. It is true they have not done anything in the way of actual service to be compared

to the men who have actually carried the work through and been to the front, but on the other hand, is it an undue consideration to give to the man who was willing to be a soldier, who, so far as it depended upon himself, did everything within his power, and was, at all events, sufficiently qualified that he succeeded in passing the first examination at the time of enrolment or enlistment? It may be and, I dare say, it is quite true that amongst those young men could be found some who did themselves know of or who suspected their disqualification and who did not anticipate going overseas, but if that were done under conditions in which one could be quite satisfied that in the particular case the individual had been guilty of conduct such as that, I doubt if he would be honourably discharged.

Mr. A. K. MACLEAN: Why not remove the qualification so far as such a man is concerned? This Bill is not intended to cover the case of such men. They are under no disability. It is true they joined the service, but they were struck off the strength later on and they never went overseas. Why include them within the scope of this Bill? I suppose most of the men struck off the strength and over 21 will have votes in any case. After being struck off the strength, they will return to their own homes, so that all who will have the vote will be minors. It is rather objectionable to have minors vote in some electoral districts of Canada when other minors are not permitted to vote. Amongst that list you might find a small number of women who enlisted for hospital service overseas, but who were unable to proceed overseas for one cause or another. I do not think it is advisable to have them enrolled as electors in the forthcoming election.

Mr. SINCLAIR: There is a difficulty as to where such persons shall vote. I do not know whether the minister intends to reorganize the franchise of the country and make different rules in different places, but I can see a difficulty about a young lad in the case referred to finding a place in which to vote under the regulations. He is not in the county in which he belongs, and I do not suppose the minister is going to provide a ballot box with an officer to take the votes of men of that character who happen to be in various places throughout Canada, so that I think there will be difficulty in their exercising the franchise even if you give it to them.

Mr. DOHERTY: There is a provision later on under which men in that position in Canada, honourably discharged soldiers, are declared to be entitled to vote in the constituency in which they reside. They are entitled to have their ballots taken upon their affidavit and upon production of the certificates of their enrolment and their honourable discharge, so that no confusion is caused. Such a man will not be on the list.

Mr. SINCLAIR: His name will not be on the list?

Mr. DOHERTY: No, but under the statute he will be entitled to vote upon presenting himself, upon producing the evidence of his discharge and making affidavit as to his identity with the person mentioned in the documents. It will be the case of a man voting who is not upon the list. I do not see that there is any great anomaly in allowing this young man who is a minor, even although he be in Canada, to vote, while other minors in Canada are not voting. There is this substantial difference between the minor we are dealing with and the other minors in the constituency, that this particular minor has, at all events so far as within him lay, been a Canadian soldier.

Mr. A. K. MACLEAN: Other minors who are soldiers are overseas performing military service, and they have not an opportunity of voting in their own country. The particular case of minor we are dealing with never proceeded overseas. Surely that is a distinction.

Mr. DOHERTY: There is no doubt that, if we could do more for the minor who has gone overseas and is performing a service, than we are doing, we would be glad to do it, and no doubt, if we were to weigh the real merits of each one, this minor is entitled to a great deal more gratitude than the boy who has not been called upon to serve, but we have to consider the case of the boy who volunteered his services and who, so far as depended upon himself, made himself a soldier.

Mr. A. K. MACLEAN: Even in the case in which the parents were obliged to ask for his discharge because he was under eighteen? There are many such cases.

Mr. DOHERTY: I do not know to what extent that would occur. It is inevitable that, if we are to make a law of general

application, there will be some instances in which, perhaps, there may be reasons why it is more difficult to justify the granting of a vote than is the case, speaking generally; but we have to make a rule that is going to be generally applicable, and I do not think we can go so far as to discriminate between individual soldiers. The only safe rule is this: A man was a soldier or he was not a soldier; if he was a soldier, he ought to have the vote, and I do not think, speaking generally, he ought to be deprived of that vote because, although he had been a soldier, at some period before he was enabled to go overseas and become actively engaged, it was ascertained that he was not suitable for a soldier and he was discharged.

Mr. GERMAN: Surely the minister would not call a man a soldier who was never accepted as a soldier?

Mr. DOHERTY: A man who was not accepted as a soldier never was a soldier and never was a discharged soldier, so that he would not come within the scope of this Bill. We are dealing with soldiers who actually are soldiers and soldiers who were soldiers and were honourably discharged. A man who was stopped at the outset and was never taken on the strength was not a soldier at all and does not come under this Bill.

Mr. L. A. LAPOINTE: Will men of the ages of 20 in classes one and two, who are called out for active service under the Military Service Act, have the right to vote as soon as they are called out? Will a minor who is conscripted have the right to vote?

Mr. DOHERTY: Perhaps the best answer that I can give is to compare the two measures and see whether the hon. gentleman is right or not. In the drawing up of this Bill we were endeavouring to cover all the methods by which a man might have become a soldier, because we wanted to cover every soldier. We had not presented to our minds in any particular way the provisions of the Military Service Act, and if on comparing them the result would be produced that, by reason of the wording as it stands here, the conclusion would have to be reached that, when a whole class of men from 20 to 34 would be called out for active service, before any individual man came to participate in any way in military operations, this wording would give him a vote, that result was not intended to be produced, and if the combined wording of the two Acts would produce that result, we should have to find a remedy for that condition of affairs.

Mr. A. K. MACLEAN: Will the minister explain about the motor boat patrol service?

Mr. DOHERTY: I understand that the Motor Boat Patrol Service is an Imperial Service manned by Canadians, their principal work being to patrol the seas that are infested by submarines.

Mr. A. K. MACLEAN: There is no such thing as a Canadian Motor Boat Patrol Service? I understand there are quite a number of men in Halifax at present who belong to this service. They have been there all winter, but as there are no boats for them, they have been doing nothing for some months. Do I understand these men are in the Imperial service?

Mr. DOHERTY: I understand that the Auxiliary Motor Boat Patrol is an Imperial service. If it were a Canadian service we would consider them to be included. I understand that our Canadian service includes the Canadian Expeditionary Force, the Royal Canadian Navy, the Canadian Militia on active service, and the Royal Naval Canadian Volunteer Reserve. The others are all Imperial services.

Mr. A. A. McLEAN: I think that a great number of the men who went across for the Auxiliary Motor Boat Patrol joined the Imperial Navy, and I think they should be given the vote.

Mr. A. K. MACLEAN: I am not objecting to their being given the vote.

Mr. A. A. McLEAN: I think we should amend the clause by adding "The Royal Navy."

Mr. DOHERTY: With regard to the Imperial service, it is our intention to modify the section by making a provision giving Canadian citizens in the Imperial service, whether naval or military, the right to vote. There may be difficulty in the way of exercising that right, but they will be given the right.

Mr. DESCARRIES: Clause 3 says:

(1) Every military elector shall be qualified and entitled to vote at a general election.

(2) If he can state the electoral district wherein he last continuously resided during at least ..... months of the year immediately preceding his appointment, enlistment, enrolment or calling out on active service, or so particularly specify a place or places within an electoral district whereat during such period of time he so resided that such electoral

district can therefrom be ascertained, he shall be deemed an elector of the electoral district so stated or to be ascertained.

Suppose that military elector, either in error, or deliberately for political purposes, declares that he had resided during those four months in my constituency, when really he had resided in the constituency of my hon. friend. Suppose that fifty or a hundred electors make the same mistake, either intentionally or deliberately, could the election be contested on that ground?

Mr. DOHERTY: We should have to rely on the strength of their affidavits, for the information on which they are entitled to vote. If I am not mistaken, that is the system in Alberta and Saskatchewan to-day.

Mr. DESCARRIES: Suppose he makes a false affidavit?

Mr. DOHERTY: The ballot would have to be counted for the time being, just as in Canada, when a man makes a false oath, his ballot is deposited in the box, and not being susceptible of indentification, is no doubt counted. I presume that upon a contestation of an election, if it could be shown that a number of votes wrongfully designating an electoral constituency had been polled sufficient to effect the result in a particular constituency, that might be a proper ground for contestation. To-day, of course, a man who has no vote at all, if he commits perjury and swears to his right to vote, will get a vote, and his ballot will be deposited in the box and counted. To find a practical remedy is pretty difficult. Similarly, if under this Act, a man swore that he resided in one place, when he resided in another, I do not think it would be possible to control that at the time of voting. In this election, just as in the elections in the provinces of Alberta and Saskatchewan, we shall have to rely for this information on the truthfulness of the soldier when put upon his oath.

Mr. DESCARRIES: Is there any provision in the law that would cover such a case?

Mr. DOHERTY: I will look into it.

Mr. PUGSLEY: I was going to move that this clause be amended by striking out the words "whether or not." If this amendment was agreed to the clause would read "military elector" means and includes every person male or female, who, being a British subject, ordinarily resident in Canada." I understand, however, that the minister is not quite sure whether my hon. friend from St. James is correct in saying that the result of this section would be that the moment the proclamation issued under the Military Service Act every young man in Canada would ipso facto become a military elector, and be entitled to vote. I think a little reflection will convince the minister that my hon. friend is right.

Mr. DOHERTY: I am inclined to think he is.

Mr. PUGSLEY: Under the Military Service Act the Governor in Council issues a proclamation calling out—that is the word used—all the single men in Canada between certain ages. The effect of this clause would be to make every young man of twenty years of age a military elector, and give him the right to vote. As the minister is inclined to agree with that view, perhaps this clause might stand.

Mr. NESBITT: One branch in which some Canadians have enlisted is not included in the Bill, and that is the Royal Kite Balloon Branch. If you are going to include all branches of the service, you had better include that branch with the others.

Mr. DOHERTY: I should be sorry to omit any.

Mr. NESBITT: That is a branch of the service which some Canadians joined when they went across the water.

Mr. ARTHURS: It is included in the Air Service.

Mr. SINCLAIR: It has been suggested by some gentlemen during the course of the discussion that the Fisheries Protection Service is connected, departmentally speaking, with the Royal Canadian Navy. A large number of these boats are engaged, in that service, along the coast, quite a number of men being employed. A number of the men so employed are under the age of 21 years. I am not objecting to their votes being taken, if it is a proper thing to do. However, I should like to know from the minister if it is his intention to give votes under this legislation to men who are not engaged actually in the war, but who are employed upon these fisheries protection boats along the coast?

Mr. DOHERTY: I do not think they would come under any of these designations. There is the Fisheries Protection Service, and there is the Royal Canadian Navy, which, I understand, is a separate service. I understand, however, from the

Minister of Marine and Fisheries that a large number of boats that would in peace times be engaged in purely fisheries protection service have been engaged in doing work in the nature of naval service, patrolling the coast and doing trying work under difficult conditions—conditions in which the men in the boats are exposed to serious danger. The crews of such fisheries boats would, I understand, come under the designation herein provided.

Mr. MACDONALD: Most of the dangerous work performed in connection with patrolling is done by the American boats. Everybody in the Maritime Provinces knows that the boats of the Royal Canadian Navy are doing inshore service. The member for Guysborough is quite right; the men employed in the fisheries boats under the Naval Department are not at all in any position of danger.

Mr. DOHERTY: I shall get that cleared up. I do not want to cover anybody who is not really doing what may properly be described as naval service.

Mr. McKENZIE: I understand that the minister is to pay some attention to the point raised by the member for St. James Division (Mr. L. A. Lapointe) in connection with this proposed legislation. Upon the proclamation in connection with the Conscription Bill being published, every man between the ages of 20 and 35, both inclusive, will become a soldier, and, under the Soldiers' Voting Act, will have the right to vote. But a great many of them could never pass the test which must be passed before they can become soldiers.

Mr. DOHERTY: I shall lay together the texts of the two Bills, and if what the member for St. James Division suggestion may be brought about, I shall take measures so to modify this legislation as to exclude the result that is apprehended.

Mr. McKENZIE: If the proclamation is issued before the election these men become military electors and poll their votes accordingly. But when they come to be examined, many of those who have polled their votes may be pronounced medically unfit, and can never be soldiers. Others may make application, under the law, for exemption. The men exempted have voted, being military voters within the meaning of the law, but they can never be soldiers. Such conditions will arise unless some steps are taken to prevent them. I listened very attentively to everything that was said tonight. As I listened to the various objections and to the answers given, I could not help thinking that the Prime Minister, if he were here, would feel more strongly confirmed than ever in what he said in this House on January 22 last as it appears on page 37 of the revised Hansard. If any hon. gentlemen on this side should say that to take this vote is a practical impossibility, he would find himself backed up by what the Prime Minister said on the occasion referred to. This is what the right hon. gentleman said:

> I know something of the conditions at the front, and I venture to put this thought before the House and the country; the men at the front will be not only practically, but actually, disfranchised if an election does take place in this country while they are in the trenches. That is my conviction. I say they would be actually disfranchised because, although I render every tribute to my hon. friend the Minister of Justice (Mr. Doherty) and the committee which had in hand the preparation of the Soldiers' Voting Act of 1915, I am not disposed to think that the arrangements made in that Act or in any other Act that could be devised are such as to enable those men to vote, or at least any considerable number of them. You cannot predict what conditions may exist. Suppose an election came on in this country when the fiercest drive of the war was taking place. Do you imagine that the paymasters of those regiments and their commanding officers could busy themselves with handing out ballots to men whose souls were engrossed and whose lives were at stake in the enterprise in which they were engaged? There is something more than that. These men at the front have it not in their disposition; they have it not in their heart or their soul to consider matters of party controversy under the conditions with which they are there confronted. I believe those men would want to put aside any one who came to talk to them about political issues or partisan controversy, under conditions of life or of death, of victory or of defeat such as confront them in the trenches or while making a drive to bring this war to an end. Further than that, there may be perhaps a hundred thousand men not in France. You might be able to have some of those men vote for Government or for Opposition, not for a candidate, as provided in the Act alluded to; but do you imagine that those men who are putting their lives to the supreme test in going overseas to fight for their country, will be greatly interested in political issues, or that they will desire to hear political speeches, or that they will welcome the distribution of partisan literature? I am not saying whether or not these considerations should determine the issue, but I do say that they are considerations that must be taken into account by every member of this Parliament when upon him the responsibility falls as to whether or not there shall be a general election during this war, and I leave it at that.

The Prime Minister argues that it would be impossible with any degree of practicability to take the vote of the soldiers. When the Act of 1915 was before the House

and before the committee I expressed that opinion, and I still hold the view that it would be absolutely impossible with any degree of fairness or justice to take the vote of the soldiers in the manner proposed.

Men have joined regiments and remained with them for a few days or a few months for the purpose of making up the number and starting the battalion. Though not physically fit these men have been allowed to join but they never intended to go overseas. Does the minister think that a man who was not physically fit but who was allowed to join to give the battalion a start should have a vote whereas a man of the same age, 20 years, who is working in a munitions factory, doing excellent work, or who is working in a coal mine, getting out the coal for the manufacture of steel, cannot vote because he is not of age? The man down in the coal mine is more deserving in my judgment than the man who may have been loitering around doing nothing for some weeks in connection with some regiment and who, because he has got the name of being a soldier, is to be entitled to vote. The points taken up by these hon. gentlemen are full of meat and call for the consideration of the minister. I make the broad statement, and I think it will be regarded as a non-partisan and fair statement, that no man should vote in Canada unless his name is duly on a list somewhere in Canada where he had a right to get his name on the list. If a man who has a right to vote in British Columbia is in Halifax, let his vote be taken there by a proper officer and sent back to British Columbia. I would not take the responsibility of requiring him to go home and vote unless that were considered best although in many cases persons under these circumstances can go home to vote. But I do submit that no man or woman in Canada should be permitted to go to the poll and poll a vote unless the name of that person is properly found on some list. I have always had the notion that the theory of this legislation is that the war should not deprive anybody of a vote who could vote if there were no war. I would not like to see anybody deprived of the right to vote who could have voted if there had been no war, but I am not very much enamoured of the idea that the mere fact that there is a war should qualify people to vote who otherwise are not qualified. Any person who has not yet left Canada has not, in my judgment, qualified himself, to be an elector if he otherwise could not be. It is for that reason I say that no man should vote in Canada unless his name is properly entered on some list or unless he has a right to vote in some municipal polling division. If the minister will so provide I think he will go a long way toward getting confidence for his Act; that is that no person should vote in Canada unless his name is on some list. Let him make provision that every man who is entitled to vote shall vote and let him make it plain that there shall be no wholesale vote making amongst those who, if there were no war, could not have exercised the franchise. The test should be that no man should be deprived of the franchise who could have voted if there had not been any war. Otherwise, under this Act, you are going to open the door to a class of persons to exercise the franchise because of the war who may never have any interest in this country except that they happen to be in the ranks, many of them because it suits them better than anything else. When the Civil War was on in the United States hundreds of thousands of our young men went to the United States, enlisted and fought because they wanted to get the pay and not because we in Canada had any enthusiasm as between the North and South. There are millions of men in this world who are soldiers, that is their business; that is their training. They come to do soldiering for Canada because there is no soldiering going on in any other country that suits them as well, but that does not entitle them to claim the right to have a say as to what will happen in this country. The minister was mixing two principles this evening in connection with the franchise. He said that he does not know the difference between a man who is fighting and yet had no residence in Canada and the man who has property in Canada and is a non-resident. The minister knows well that British institutions and law always recognize the right of property, almost as great a right as any which a man can possess. Wherever a man has property he has the right to vote for the purpose of protecting that property. That is why, in the smaller municipal elections, a man owning property in a certain polling district has the right to go and vote and take part in the election of councillor for this district. He has the right to see the man elected who has to deal with his property. That is an underlying principle. The man who has property in the country, if he is a British subject, although residing outside, has the right to come in and vote and to say who shall make the laws govern-

ing that property. But that is entirely different from the man who has no stake in the country, who may come as a professional soldier while the war is on, and who, when the war is over, will leave and will never be seen again. I hope the minister will consider some of the points raised by the hon. members to whose remarks I have been addressing myself, and that he will give some attention to the suggestion that people residing in Canada should not be given the right to vote unless they are qualified in some district in which they have a right to be qualified.

Section 2 from line 20 to the end, and section 3, allowed to stand.

On section 4 (election officers, etc.), subsection 1, clause (b), general returning officer:

Mr. A. K. MACLEAN: This reads that the general returning officer "shall have and perform within the city of Ottawa" certain duties. Would it not be better to say within the Dominion of Canada as in the preceding clause providing for the appointment of the assistant Clerk of the Crown in Chancery?

Mr. DOHERTY: The duties of this officer are of a very limited character. He is to receive the returns from all Canada and the returns from overesas and to compile them so as to establish the result of the election in each particular constituency. The intention was that this should be done in Ottawa. He does none of the work that is done by a returning officer in connection with the holding of an election. Under this system no one will know the result in a particular constituency until he has added the results from the different places where the voting takes place, in the constituencies, in the military camps in Canada, and overseas, and has issued his statement.

Mr. A. K. MACLEAN: Who looks after the polling of the votes at military camps in Canada?

Mr. DOHERTY: What are called presiding officers, who occupy the role of returning officers in so far as the direction of the election itself is concerned.

Mr. NESBITT: Under the existing law the ballots, after being marked, are to be returned to the different constituencies and there counted by the returning officer, at which time the candidates or their representatives would have the right to be present. There is no such provision in this Bill. That is one reason why I object to subclause 3.

Mr. DOHERTY: We shall deal with that in due time, in connection with the method of counting under this Bill.

Mr. GERMAN: The returns will not likely be received and made up by the general returning officer at Ottawa for some weeks after the general result of the election throughout Canada is known. There is to be no voting later than eight o'clock on the day of the voting in Canada, but the next morning, throughout Canada generally, the result of the election will be known as usual.

Mr. DOHERTY: So far as the Canadian vote is concerned.

Mr. GERMAN: Then from all the camps and soldiers' polling places in Canada the returns are sent to Ottawa.

Mr. DOHERTY: In Canada, yes.

Mr. GERMAN: To the returning officer, who retains them. Until he receives the returns from the overseas camps, he makes no calculations.

Mr. DOHERTY: The returning officer counts them, but he does not do any additions. The counting is dealt with under the next section, the counting by the special returning officer.

Mr. GERMAN: But there is no publication by him.

Mr. DOHERTY: No, not necessarily.

Mr. GERMAN: Can there be as to what has taken place in Canada?

Mr. DOHERTY: The result within the constituency will necessarily be known because we have made no modifications of the present position under which, when the ballots are counted in each polling place, the representative of each candidate goes away with the statement of the result of the poll. We do not propose to interfere with that, so that the result, in so far as concerns the polling which actually takes place in a constituency in Canada, will be known on the night of the election, as the final result in each constituency is presently known. But, of course, it will be impossible to declare anybody elected until you have taken the vote in a particular constituency, have gathered in and counted the votes that may be applicable to that constituency in the camps in Canada, and received the results of the votes taken overseas. All of these will come to this general returning officer. When he has them all he will add them together and announce the result. That is

his function. The details of the counting are attended to by the officers who are to do the counting, but this is done by the general returning officer and that is practically his entire office. I do not think it will be possible to get a proper declaration of the result of an election conducted as this one will be in different parts of the world really, unless you have somebody at the head to whom all results are to come and who will announce the effect of the combination of those results. While his office is a very important one, he has a very simple duty to perform.

Mr. GERMAN: And in the meantime the results throughout the Dominion of Canada as to close elections in certain constituencies will be well known to the gentleman who has charge of the ballot papers that are being sent from England and France, which may be manipulated by them as they see fit, from the time they leave there until they reach here, and all manner of fraud may be perpetrated.

Mr. DOHERTY: All the ballots would have to be so manipulated by one gentleman nominated by the leader of the Opposition, and one gentleman nominated by the leader of the Government. There will be no manipulation of the ballots, except by a combination of the representatives of both parties. If the hon. gentleman can suggest something that I can do to make the thing fairer than that, and to prevent manipulation, I shall certainly be very glad to consider it, but I thought I had reached the point where we might safely count that the matter would be dealt with fairly. I do not see what room there is for a general returning officer to do any manipulating. He only gets results from other people but no ballots. He gets reports of those results, which are checked before being sent to him, so far as the overseas vote is concerned, first by telegram and second by registered communication, which passes through the office of the Canadian Commissioner to France, and the secretary of the High Commissioner's Office in London. These reports are transmitted to them, to be transmitted over here, and any possible manipulation on the part of any of those gentlemen would be necessarily known to the special returning officer handing in those returns.

Mr. NESBITT: They check them first and then send them to the commissioner in England?

Mr. DOHERTY: All they hand to him is the statement to be sent over here.

Mr. NESBITT: No doubt they keep tab on the statement.

Mr. DOHERTY: They have a record book from which the statement is taken. It is known to members of this House that the Canadian Commissioner in Paris was appointed by the late Government, and we have every confidence in him.

11 p.m. Nothing goes through his hands, or the hands of the secretary in London, except the statement made by the special returning officers who are to be appointed in the manner I indicated a few moments ago.

Mr. PUGSLEY: I think the minister will agree with me that this Bill should be framed so that it will be as free as possible from any opportunity for partisanship. There is a provision for certain officials being appointed by the Prime Minister and the leader of the Opposition, and I think there are two quite important omissions in that regard. I refer to subsection (c) of section 4——

Mr. A. K. MACLEAN: We have not reached that section yet.

Mr. PUGSLEY: Well we are dealing with the returning officer who is referred to in this subsection. I think the leaders of the two parties should have a voice in the appointment of all the officers who are to administer this Act. It is an Act of extraordinary character. Votes are to be taken under very exceptional circumstances, and I think there is just as much reason for having the Prime Minister and the leader of the Opposition agree as to the returning officer, or if by any possibility they could not agree he could be appointed by the Chief Justice of the Supreme Court of Canada, but I think it would be most unlikely that they could not agree. Then it is provided that the special returning officers shall be appointed, but their duties are confined entirely to the counting, reporting and return of votes. But the presiding officers, who are really to take the place of returning officers in the ordinary election under the Dominion Act, are partisan appointments.

Mr. DOHERTY: Just as all the appointments in Canada are partisan appointments.

Mr. PUGSLEY: The minister is professing to give to this Bill and to its working out a non-partisan character. but in respect to two of the most important appointments he omits that principle entirely as to the

general returning officer and as to the presiding officers.

Mr. DOHERTY: In what respect does the hon. gentleman suggest that there is any danger from the general returning officer being appointed in the usual manner by the Government? We have departed from the general rule under which officials are appointed in a business of this kind because we have been anxious to ensure a perfectly fair contest, but the general returning officer has to perform his functions in Ottawa, and those functions are to consist in receiving returns that are going to be sent in from other people. Those other people are in a perfect position to check what he does. The one thing which it could be suggested that that man could do to affect the result of the election is to falsify the returns. In all frankness, is it fair to suggest that it is necessary, to protect this election, that we should, with regard to this officer, depart from the general rule under which officers are appointed by the Government of the day? We have departed from it where there was, as it seemed to us, a possibility of suggesting unfairness, but apparently that did not save us from the suggestion in regard to the appointment of an officer of this description. I think there is no good reason why we should depart from the ordinary practice of the Government charged with the administration of the affairs of the country to appoint an officer to administer the measure.

Mr. PUGSLEY: The only reason is the Government is professing to make this Bill non-partisan in its character.

Mr. DOHERTY: Does that mean that we must depart from the ordinary rule of appointment, even when adherence to it can produce no partisan effect? I do want to be fair in this matter, but I do not think I should be asked to do things, that would only on their face be just as the hon. gentleman expresses it, professing to be non-partisan. To provide that the general returning officer should be appointed by the leader of the Opposition and the leader of the Government would be a mere profession on its face. I do not see that I should depart from the general rule, simply to make a greater profession on my part of a desire to be non-partisan.

When it comes down to the real thing of the counting of the ballots, where I can realize the immense importance of securing proper representation, I think I would have been entitled to be considered to be non-partisan if I had made provision to ensure representation of both parties at that counting. That is all that has been done from time immemorial with regard to counting ballots in this country, but I have gone further, and I have said that this counting shall be done by people nominated by both parties, putting both parties on a footing of perfect quality as regards this essential operation of the counting, which produces the statements which are handed to the General Returning Officer. The one thing the General Returning Officer could do would be to alter the statements, and if he did so, he would at once be confronted with the authors of them.

Mr. A. K. MACLEAN: Why does the minister call the officers to be appointed under paragraph (c) of section 4, to be nominated jointly by the Prime Minister and the leader of the Opposition, special returning officers? That is rather a confusing term.

Mr. DOHERTY: We have had some difficulty in endeavouring to avoid confusion because, of course, we have to duplicate functions. There have to be people on this side who are doing the work of taking the votes, carrying on the election and counting the votes. That is done on this side by returning officers and deputy returning officers. The deputy returning officers do the counting on this side. On the other side, we have to provide some officer to do the counting of the ballots.

Mr. A. K. MACLEAN: That special returning officer does not receive the ballots himself.

Mr. DOHERTY: No, he does not take the vote at all.

Mr. A. K. MACLEAN: He is not the presiding officer?

Mr. DOHERTY: No, his function is to count the votes after they come in.

Mr. NESBITT: He and his clerk.

Mr. DOHERTY: Yes.

Mr. NESBITT: And his clerk has to be of the opposite party.

Mr. DOHERTY: Yes. We have to divide up the work of the returning officer to meet the conditions. We have an officer that is called a presiding officer. He may be appointed a presiding officer for a camp, or possibly in England, for a section of the country in which there are different camps. He is in the position of a returning officer for a constituency. He will, of course, be

taking votes for numerous constituencies, but he is in the position of a returning officer in the sense that it is for him to set the machinery in motion and to provide the deputies who are actually to hold the polls and take the votes. He conducts the business of a returning officer so far as providing for the holding of polls and the taking of ballots is concerned. Then he stops. The deputy presiding officers, who are doing the work of deputy returning officers in holding these overseas polls or military polls and who take the votes, make their returns not to each one of those presiding officers, but direct, if the vote is taken in France, to the office of the Canadian Commissioner to France; if the vote is taken in England, to the secretary of the office of the High Commissioner at London. When those two officers have those boxes, they notify those special returning officers, that on a certain day at a certain hour they will hand over to them the boxes they have so received. They convene those special returning officers, and their clerks, and deliver over to them the sealed boxes just as they got them. The special returning officers, having received those ballot boxes proceed to open them. As I say, each special returning officer has a clerk who is the representative of the party or appointed on the nomination of the party other than that which suggested or appointed the special returning officer. When we come to the details of the taking of the vote, we shall see that the ballot, when it is marked, is deposited in an envelope which is sealed. On the back of that envelope is the information that enables him to determine to what constituency it belongs. Those envelopes are sealed and put into the ballot boxes. When those ballot boxes are handed over to the special returning officers by the Secretary of the High Commissioner or the Commissioner in France, they proceed to open the boxes, and their first operation is to assort the envelopes. They do not open the envelope. They do not know anything about the ballot that is in the envelope. They assort the envelopes, guiding themselves by the information that is on the back of the envelope. Having assorted them, they have the result that they have in separate boxes or receptacles of some kind in their possession, or in separate heaps, the envelopes containing ballots for each particular constituency. Having done that assorting operation, they proceed to do the counting operation or to do the operation perhaps of opening the envelopes as a separate operation. It is prescribed that, when they come to open the envelope and take out the ballot, they shall lay that envelope down on the table with the back on which the information is on the table so that they shall not be able to connect the ballot with the information on the envelope. They shall open that envelope and drop the ballot just as it stands into the ballot box marked for that constituency. Having done that operation of opening the envelopes and dropping in all the ballots, they will then open that ballot box, having brought about a condition of affairs in which they will not be able to connect any particular ballot in any particular case with any particular envelope. They will then proceed to count the ballots.

Mr. PUGSLEY: From my experience in carrying on elections, the most important position and the one in which it is very dangerous to have a partisan officer is that of the presiding officer. In ordinary elections he is called the returning office or the deputy returning officer. Here the name is changed. He is the presiding officer or the deputy presiding officer. The leader of the Opposition has the duty imposed upon him of choosing one-half of these special returning officers, and one-half of the scrutineers. It is now after eleven o'clock. Might I suggest that this section be allowed to stand so that the leader of the Opposition might be here when it is considered?

Mr. McKENZIE: Have we, in the ordinary elections, any officer who corresponds with this general returning officer mentioned in paragraph (b)? As I understand it, we have not.

Mr. DOHERTY: No, we have not.

Mr. McKENZIE: The Clerk of the Crown in Chancery does everything except what is done by the ordinary presiding officer.

Mr. DOHERTY: Not everything. We need this returning officer, because some one has to make a return saying who is elected. The Clerk of the Crown in Chancery does not make a return saying anybody is elected. The returning officer for each constituency now returns a man as elected to represent that constituency. He cannot do that now, because he only has the votes taken in Canada. We have to gather together in somebody's hands all the votes that apply to a constituency, and have the combined results of these votes

declared by somebody, and that is what the general returning officer is going to do. Under the Act as it stood all ballots would have had to come back from France, be sorted by the Clerk of the Crown in Chancery, and sent by him to the returning officers in each constituency. However that might have worked out when you were dealing with 30,000 or 50,000 ballots, and under transportation conditions as they existed at that time, I think it is obvious that at the present moment to make the taking of 350,000 or 400,000 ballots dependent upon those ballots being safely transported across the seas to be sorted and counted here, would be a very unwise thing. It is to obviate the difficulties and the unsafety of that method that we are providing this machinery for counting the ballots overseas. Of course, the ballots will all be sent over here eventually, to be available in case of contestation. The reason why we have this general returning officer is that he may be a sort of clearing house. We are sending everything in to him, and he will be able to return that a particular man was elected for a particular constituency, because he has all the results from all the different sources.

Mr. MACDONALD: Would it not be better for the local returning officers to make the returns? If you are going to have only one returning officer for the whole Dominion, you are going to have a lot of difficulty. Why should not the man who will receive all the overseas votes communicate to the returning officer in my constituency, or in any other constituency, the total votes, and let the local officer make the return?

Mr. DOHERTY: I do not see what advantage is to be gained by that additional operation. The returning officer in Canada is directing an election in a constituency in Canada only so far as the votes in Canada are concerned. Other men are directing it so far as the votes in France are concerned, other men are directing it so far as the votes in England are concerned, and other men are directing it so far as the votes in Bermuda are concerned. By this operation we gather together the results from all the different sources, and the man who has received them all proclaims the result. Personally, if anybody wants it, and can suggest what gain can possibly come from it, I have no objection to providing for this additional trouble, namely, that the man who has received all these results shall send them back to the men from whom part of these results came, in order that they may make the proclamation.

Mr. GERMAN: Why not let the information be sent direct to the returning officer in each constituency?

Mr. DOHERTY: It must be remembered that the results will not come in for more than a month after the returning officer in Canada has done everything that he is called upon to do. If any hon. gentleman can point out the advantage in making the man on the other side make 234 separate packages, and send them to 234 individual men over here, rather than have him send all the returns to one man, I shall be glad to consider the suggestion, but I must confess that my impression is at the moment that the suggestion is made only for the purpose of suggesting something different from what is in the Bill.

Mr. PUGSLEY: Would the minister consider the question of allowing the leader of the Opposition to have a voice in the appointment of the presiding officers?

Mr. A. K. MACLEAN: I made the suggestion on the first reading of the Bill that we should make better progress if it was referred to a special committee. It will take two weeks to get the Bill through the House in this way, and I think it would facilitate the passage of the Bill to have it referred to a special committee.

Mr. DOHERTY: I have given some thought to that suggestion, and have consulted with the Prime Minister and my colleagues about it, and I think perhaps our little experience this afternoon goes to justify the plan we adopted. This Bill is one with regard to which it is to be expected that many hon. gentlemen will have suggestions to make, and it would not perhaps be quite fair to them, or in the interests of the improvement and perfection of the Bill, that they should not be afforded an opportunity of making those suggestions. In the first place, I think that is a sufficient reason why we should not withdraw the Bill from Committee of the Whole. In the second place, I think it would lead one to the conclusion that after a special committee had dealt with the Bill we should have to submit it to the House to give hon. gentlemen an opportunity of making their suggestions. Might I make this suggestion? If a few gentlemen from the other side of the House would be good enough to join with two or three that we might name on this side, we might in a perfectly informal way carry on simultaneously

some little examination of the Bill and some little discussions that would not interfere with the progress of the Bill in the House, but might on the other hand expedite it.

Mr. PUGSLEY: The leader of the Opposition will have to have an opportunity of thinking over this suggestion.

Mr. COPP: I understand that the General Returning Officer receives the results from overseas and also from the different constituencies in Canada. He is, in fact, the real returning officer. Does he also receive from the returning officers of the election held in Canada as well? Is he the real returning officer?

Mr. DOHERTY: For the purpose of proclaiming who is elected, he is the real returning officer.

Mr. NESBITT: He receives all the reports?

Mr. A. K. MACLEAN: The Bill does not read that way.

Mr. DOHERTY: We have not defined his duties as yet.

Progress reported.

On motion of Hon. Mr. Doherty for the adjournment of the House:

Mr. A. K. MACLEAN: May I ask the Minister of Justice, who is leading the House, if we are to have a general franchise Act this session? It is rumoured that there is to be such a Bill. If so, is it likely to be presented to the House shortly, and what is its nature?

Mr. DOHERTY: I am not in a position to make an announcement on that subject this evening. I shall submit the hon. gentleman's question to the Prime Minister; perhaps we may hope for an answer to it to-morrow.

Motion agreed to, and the House adjourned at 11.30 p.m.

Tuesday, August 21, 1917.

The House met at Three o'clock, the Speaker in the Chair.

HONOURABLE ROBERT ROGERS.

HIS RESIGNATION FROM THE CABINET—THE LETTERS THAT PASSED BETWEEN RT. HON. SIR ROBERT BORDEN AND THE HON. MR. ROGERS.

On the Orders of the Day:

Right Hon. Sir ROBERT BORDEN (Prime Minister): I desire to inform the House that the Minister of Public Works has resigned, and that his resignation has been accepted. The correspondence which has taken place is under my hand, and His Excellency the Governor General has been pleased to give me his permission to communicate it to the House. I shall accordingly read it:

Ottawa, August, 15, 1917.

My dear Sir Robert,—

Never during the six years that I have endeavoured to faithfully and loyally serve you as leader of our party do I know of any part of my efforts that have ever been kept secret from you. In that same spirit of loyalty and devotion let me say a plain word, and it is this—that, in my opinion, as a party we are face to face with very serious difficulties, difficulties, to my mind, that have largely been created by our kindness to our opponents. The question with me is, "What are we doing about it?" Our opponents are strong, active and hopeful. They do not hesitate in adopting the most sordid methods imaginable. They have been covering the country for months past with literature of the most damnable character. They have a strong press, through which they are promoting a most cowardly malevolent campaign. I am often made the target for many of their attacks—attacks which they are unable to support with any substance. However, with them it is not a question of substance, of truth, or of common decency. They simply follow their instructions to attack any one that they regard as a menace to their success.

And what are we doing? Nothing that I know of except going on treating the promoters of this slanderous campaign as gentlemen. Surely it is plain that there is only one end to all this. Hard and difficult as it is for me to do so, let me say that if our present inaction and indecision are to continue, may I with feelings of the greatest possible respect and with feelings of the very deepest regret, ask that at your convenience I be relieved from sharing the responsibility for the results that will be sure to follow continued inaction and indecision.

Never in my long experience have I witnessed more clearly than I do to-day the opportunity that rests with us for great good. We have only to remember that we are in a war in which Canada's all is at stake. If we do not win, then the plans for Canada's future development will not be made in our own capital city of Ottawa, but in the capital city of some foreign country. There is no use deluding ourselves upon this point, for a great, fat, tempting prize like Canada would never be allowed to escape were she to go undefended by the full power of a victorious British Empire. Canada's hope for the fulfilment of her full share in this great struggle largely rests with the party that you represent. Therefore, our responsibilities are great. We must be equal to them, and above all we must be equal to our obligations to our gallant soldiers. Under the banner of loyalty, decision and action, we can accomplish these high purposes. We cannot afford to delay. We should waste no time tarrying and disputing with opponents whose apparent purpose to-day is to prolong Parliament until the end of its term, in

the hope that if they succeed in this they will be able to add a new chapter to their slanderous campaign by attempting to make it appear to the country that we are hopelessly helpless.

When Sir Wilfrid Laurier two months ago refused your most generous proposal for coalition, surely, then there was only one course left, and that was to proceed determinedly and fearlessly with our task. I can, of course, well realize that you delayed in honest, hopeful expectation that some strong action for union would be taken at the Winnipeg convention. True, you have not had the opportunity to know and understand the method, and the designs of those in western Canada who stood up in that convention in support of Laurierism. Under normal conditions, in times of peace, it is always inadvisable and dangerous to have either truck or trade with your enemies when you know them to be such. It is a million times more dangerous at this solemn moment when the fate of our country is hanging in the balance.

The Canadian people understand that at the outbreak of the war, and every day since the Government have had forced upon them conditions the like of which no Government in Canada had ever before been called upon to meet. Loyal Canadians everywhere realize this, and I am confident they appreciate to the full the many difficulties the Government have had to contend with, and above all they know and understand the sordid means being employed by Sir Wilfrid Laurier, as the leader of our domestic and foreign enemies to defeat our honest efforts to faithfully fulfil, in Canada's name, a full and worthy part in this great war. Therefore, to my mind, our course is plain. It is this: "Carry on" without delay and with resolute determination to assist to the fullest extent of Canada's power in preserving the unity of the Empire and the future destinies of our own country.

As for myself, let me say whatever the outcome may be, I will in the future as in the past ever remain loyal and devoted to my country and to my friends, prepared at all times to respond whenever and wherever duty calls.

Yours sincerely,

(Sd.) R. Rogers.

Right Hon. Sir Robert Borden,
Prime Minister,
Ottawa.

To that I made the following reply:

Ottawa, August 17th, 1917.

My dear Mr. Rogers,—

I have given attentive consideration to the views expressed in your letter of the 15th inst. which reached me last evening.

You do not specifically define the lack of action of which you complain, but you do in general terms declare that there has been during the past three months continued inaction and indecision and that you desire to be relieved from responsibility therefor, or for its continuance. I am unable to accept your conclusion nor am I aware of the slightest foundation for the view which you have thus expressed.

As to inaction let me call the following considerations to your attention: Since my return to Ottawa in the middle of May numerous questions of the very highest national importance have been taken up and dealt with. I realize that you have not taken so active a part in their consideration as some other members of the Government, but I know you appreciate the immense difficulties and complexities by which many of them have been surrounded, and the vast amount of labour which has been involved in their determination. To refresh your memory let me enumerate some of these matters.

1. Compulsory Military Service. All my colleagues know the enormous amount of time and labour bestowed upon this question and in the preparation of the measure in which it is embodied. That measure was introduced by me on the 11th June and has passed the House of Commons and the Senate, and it now stands for the consideration of some minor amendments made in the Senate. Its importance in providing needed reinforcements for our gallant men in the trenches cannot be over estimated.

2. The imposition of a Tax upon Incomes above a certain amount. This subject required the most attentive study in the consideration of its scope and details. After much deliberation the measure was perfected, passed through its various stages in the House of Commons, and now stands for Third Reading.

3. Extension of the Parliamentary Term. While this subject did not involve long debate the course of the Government had to be most carefully considered; and you will agree that in importance it does not rank below any of the great questions which have been determined by the Government during the present session.

4. Railway Legislation. Only those who have been called upon to face the problems with which the Government have been confronted can realize the difficulties and complexities which had to be met in dealing with this question. It has demanded and received the most earnest and unremitting study and attention ever since my return. After long deliberation the policy of the Government has been formulated in the Bill which has recently received its Second Reading in the House of Commons and which as I believe embodies a policy greatly in the interest of the country. This subject alone would under ordinary circumstances have been regarded as sufficient to engage the attention of a government during an entire session.

5. Military Voters Bill. It is apparent that under the conditions which have developed during the past two years and having regard to the greatly increased Canadian forces in France and in Great Britain the Act of 1915 has become wholly unworkable It is most essential that all the members of the Canadian Expeditionary Force shall have every possible opportunity of exercising their franchises. The holding of an election in Canada alone necessitates the comprehensive provisions embodied in the Dominion Elections Act to insure full opportunity for voting and every reasonable safeguard to prevent fraud. But under present conditions we must hold an election not only in Canada but in Great Britain, France and other countries as well. The holding of such an election abroad requires equally comprehensive provisions to cover not only the ordinary arrangements for an election in Canada but the very different and highly complex conditions presented in extending the franchise to an army of 300,000 men in the midst of military operations. I am sure that you realize the magnitude of the task thus presented to the Government in order to insure full opportunity and at the same time adequate safeguards. This we have en-

deavoured to accomplish in the measure now before Parliament.

6. The Government also gave close attention to arrangements for assisting the settlement of returned soldiers upon the land and suitable provision for that purpose was made in the Soldiers Settlement Bill which has passed both the House of Commons and the Senate.

7. Conduct of the War. In addition to this vast programme which has been carried out since the middle of May the Government has had to consider and deal with many problems arising out of war conditions. As you know, questions of the first importance are presented for our consideration almost daily. During the period mentioned we have established a Board of Grain Commissioners to regulate the price of grain and to provide for the greatest possible exportable surplus. We have appointed a Food Controller and conferred upon him extraordinary powers of regulation. We have appointed a Fuel Controller and given him power essential for the provision of fuel at a reasonable price. We have dealt with a difficult labour situation in Western Canada through the appointment of a Director of Coal Operations whose efforts have been attended with notable advantage to the public interest. Besides all this the administrative activities of various departments for war purposes have been incessant. Large purchases of food and supplies for the British and Allied Governments have been made, the funds necessary to pay for these purchases and for enormous supplies of munitions have been provided for the British Government and our part in the war has been thoroughly sustained in the midst of a very active session.

Under these circumstances your suggestion that there has been inaction on the part of the Government seems entirely unwarranted. So far as I am concerned I cannot recall any period of my life when I was more actively and intensely occupied or when I gave my time and energies more abundantly and unreservedly to the duties that lay before me.

I do indeed admit (and perhaps your charge relates to this) that during that period I have not occupied myself in party controversy or resorted to partisan attack. That has been my course since the outbreak of war and I propose to maintain it. I have defended the administration from attack when I thought such defence necessary and I shall pursue that course in the future.

It is perfectly true that the official Liberal Press Bureau has been disseminating throughout the country in vast quantities for many months, campaign literature of a most unworthy and offensive character. I have sufficient confidence in the good sense of my fellow countrymen to believe that such gas attacks will not prevent victory for the right when the time comes.

You express the apprehension that the Government will encounter obstructive tactics in the House of Commons. While I do not share that apprehension, I may assure you that any such tactics will be met and firmly dealt with.

You charge also indecision. My duty never lay clearer before me than I have seen it since my return in May last and not for one moment have I swerved from the purpose which I then reached. I arrived at the conviction that a union of both political parties was necessary in order that Canada might obtain the united effort of all those earnest in their desire to throw our full national force into the war. On the 25th May I proposed to Sir Wilfrid Laurier

[Sir Robert Borden.]

that a coalition should be formed in which both political parties should be equally represented outside the Prime Minister. Negotiation went on for about two weeks but eventually he declined my proposal for the reason that he was opposed to compulsory military service. I then determined that I should ask those Liberals who supported compulsory military service to unite in the formation of a government in which they would be fairly and equally represented. It was and is my purpose to include in such a government special representation of agricultural and labour interests. In seeking to form such a government I naturally placed my proposals before those Liberals who are in active public life and who must thus be regarded as leaders or representatives of their party. Negotiations with them have since continued but have not yet been concluded. I regret that my efforts for the formation of a government based upon a union of all elements prepared to carry on this war to a successful conclusion have not hitherto met with the success which I think they deserved. I am possessed, however, of considerable patience and persistence and I have not discontinued my effort. If Liberals in active public life to whom naturally one must first resort are not prepared to play the part which I think they should play in forming such a government it will be my duty to invite prominent Liberals not in active public life to join with me in consummating the national purpose which I have in mind. Thus I see my duty before me. I cannot agree that it is a time when the fortunes of the country should be entrusted solely to the determination of one political party. I hold on the contrary that at this juncture when the destiny of our Dominion and the whole Empire hangs in the balance I should, notwithstanding every discouragement, persistently seek to bring about a union of all men of good will in both political parties who are animated by the patriotic desire and determination of throwing Canada's full force into the winning of this war.

It is apparent from the terms of your letter that your views as to what has been accomplished and what remains to be accomplished, as to what conditions have demanded in the past and as to what they shall require in the future, are extremely divergent from those which I entertain. I greatly regret this; but under the circumstances I cannot urge you to reconsider your decision and I shall submit immediately to His Excellency the Governor General your desire to be relieved from your responsibilities as a Minister of the Crown.

Let me assure you in conclusion that I appreciate most deeply and sincerely the loyal service which you have given as one of my Colleagues during the past six years.

Your faithfully,

(Sgd.) R. L. Borden.

Hon. Robert Rogers,
Ottawa.

To this, I to-day received the following reply, dated August 18:

Ottawa, August 18, 1917.

My dear Sir Robert,

I have yours of yesterday's date and regret that it still seems impossible for you to see and realize the force of my reference to inaction and indecision. With every possible respect let me say that in my humble judgment, to me this is very plain.

You recount various important measures that have recently engaged the attention of the Government. In my letter of the fifteenth I was clear, and I was equally clear in our conversation of yesterday, in pointing out that it is, of course, accepted everywhere, that since the outbreak of war the Government have had forced upon them conditions the like of which no Government in Canada has ever before been called upon to meet.

I am indeed truly sorry to note your rather implied insinuation regarding political controversy. I think that on reflection you will admit that this was undeserved, or perhaps it is that you may have misunderstood me. It is quite true that I have always observed and always will observe respectful loyalty to my party, the party to which I will ever plead guilty to being devoted. When our opponents violated that now famous so-called truce and carried on, as they are carrying on to-day, their slanderous campaign, I believed then, as I believe now, that it was our duty to have taken steps in the interest of our party to counteract the effects of such campaign.

I entirely share your regret that your efforts for coalition during the past three months have been so unsuccessful. You well know that you had my earnest co-operation and support when making your proposals to Sir Wilfrid Laurier as official leader of the Opposition. You also had my support in your efforts to effect union with other leading Liberals in the House of Commons, for I quite appreciate that such a strong union under the present circumstances would have been most desirable. Of course, as you say, you still have a chance of a union from outside. I fear that at this period of our crisis that any such union that leaves the official Opposition intact is not likely to inspire much confidence.

Under these circumstances, I of course cannot help but deplore your admission that the fortunes of our country should no longer be entrusted solely to the party you represent. This admission, I am sure, will be read with feelings of pain by your friends in all parts of Canada.

I can assure you I will welcome the time when His Excellency the Governor General may be pleased to approve of my request to be relieved of my responsibilities as a Minister of the Crown.

Believe me, my dear Sir Robert, I am,
Yours sincerely,
(Sgd) R. Rogers.

The Right Honourable
Sir Robert Borden, G.C.M.G.,
Prime Minister,
Ottawa.

I have nothing to add to what is disclosed in the correspondence except that I desire to disclaim any intention to cast a reflection upon Mr. Rogers in that portion of the letter to which he alludes in his reply of the 18th August. I was merely stating my own position and I did not intend to cast the slightest reflection upon him.

Right Hon. Sir WILFRID LAURIER: Mr. Speaker, the resignation of the hon. the Minister of Public Works (Mr. Rogers) had been expected, as everybody knows, for some time past. It takes nobody, therefore, by surprise, but it comes under circumstances which had not been anticipated. The expectation had been that it was my right hon. friend the Prime Minister (Sir Robert Borden) who would ask for the resignation of the Minister of Public Works, but, it is the Minister of Public Works who tells the Prime Minister that he is not satisfied with his leadership of the party. The whole question resolves itself into one of party tactics; a difference between the Prime Minister and the ex-Minister of Public Works. As to that, of course, neither we on this side of the House nor the country need have any opinion. The matter resolves itself, into not merely a party quarrel but a domestic quarrel, a difference of opinion between the Prime Minister and a prominent member of his cabinet as to the manner in which the Prime Minister sought to carry on the business of the country. If the resignation had come on a question of principle, I would have been justified in offering some comments upon it, as it would have been my duty to do, but it being a party and a domestic quarrel altogether, I do not feel warranted in offering any suggestions or observations. I have only this to say that, while I have had differences of opinion with my right hon. friend (Sir Robert Borden), yet on this, as upon all occasions, it has been my endeavour to discharge the duty with which I am entrusted according to the best light I possess, and to further the effort in which we are all concerned, viz., to participate in the most effective way possible in the high task in which we are now engaged.

PRIVILEGE.

STATEMENT BY MR. JACQUES BUREAU DENYING THE ACCURACY OF A NEWSPAPER REPORT OF HIS SPEECH AT JOLIETTE.

On the Orders of the Day:

Mr. JACQUES BUREAU (Three Rivers and St. Maurice): Mr. Speaker, I rise to a question of privilege. On my return to Ottawa yesterday my attention was called to an alleged report of a speech by me which appeared in the Montreal Gazette of August 20, and which is headed:

Declare Laurier will save country.

On page 4, column 6, there is a report purporting to give what was said by me at a meeting at Joliette on Sunday, the 19th August. Among other things, it is stated:

Particular stress was laid upon the crisis which the province of Quebec is facing to-day by Hon. Jacques Bureau, M.P. for Three Rivers.

Here are the words to which I take exception:

> He declared emphatically that, without Sir Wilfrid Laurier at its head, the French Canadian race would be extinct in a few years.

I declare emphatically that I never said any such thing. Mr. Speaker, it never has entered my mind that the French Canadian race would ever be extinct; I am a firm believer in the survival of my race. Further, it is stated in this report in quotation marks, as if it were the ipsissima verba of what I said:

> The English are trying to provoke us in order to exterminate us.

I deny emphatically ever having used that language or any other language which would justify or even suggest any such interpretation. Further, this newspaper reports me as saying:

> They will not be content with killing us; they will violate our wives and daughters; they will treat us as the Germans did the Belgians and the inhabitants of Northern France.

I never uttered those words nor any words that would carry such a meaning. I used no language which could be construed in any such sense. Not only did I not use such language, but I can sincerely say that no such idea was ever in my mind. I characterize this report as malicious and false, and as attempting to convey the impression that I insulted my fellow Canadians of English origin, and tried to stir up strife and disunion. What I did say was absolutely the contrary of what is represented in this report. In every word I uttered, I counselled, insisted, and prayed that the sentiments that should prevail ought to be sentiments of tolerance, of peace, and of moderation. That was the tenor of my remarks when I spoke about conscription, and that was the idea in my mind. I again qualify that report in the Montreal Gazette as being absolutely malicious and false.

COLONEL WILSON.

Sir SAM HUGHES: Is the Prime Minister, or the Government, aware that Col. Wilson, one of the most distinguished medical officers in the service of the Dominion, has been degraded and sent to France, the only excuse that we can find for it being that he happened to be a member of the Bruce Commission? Has the right hon. gentleman any information in regard to it?

Sir ROBERT BORDEN: I have not heard of the matter to which my hon. friend alludes. I shall make inquiries in regard to it.

[Mr. Bureau.]

THE MILITARY VOTERS' ACT, 1917.

FURTHER CONSIDERATION IN COMMITTEE.

The House again in committee on Bill No. 127, the Military Voters' Act, 1917—Hon. Mr. Doherty—Mr. Rainville in the Chair.

On section 4, subsection 1, clause (c), special returning officers.

Mr. PUGSLEY: This clause ought, I think, to be considered in connection with clause (d). I have grave doubts whether the leader of the Opposition ought to assume the responsibility of taking a part in the appointment of these special returning officers unless he also has the right to take a part in the appointment of the presiding officers. The presiding officers are the important officials; they are the ones who make the appointments as to the time of taking the vote, and, while they are called presiding officers, they are actually taking the same place as the returning officers in the carrying on of an ordinary election. It is to my mind absurd to convey the impression by this Bill that this is to be an election in the carrying on of which both parties are to have an equal voice, and yet, in respect to the most important officers, the men who have most to do with the holding of these elections, have the appointment controlled entirely by the Government of the day. These elections, so far as the soldiers' vote is concerned, are to be held under very extraordinary circumstances. Ordinarily when an election is held under the Dominion Elections Act there are voters' lists, and there are special days appointed for the nomination and the election, of which the entire public has notice. The candidates and their agents have an opportunity of being present. There is every opportunity to see that a fair election is held. In the case of the soldiers, there are to be no lists. Certain qualifications are called for under this Bill, but the only qualifications are that the soldiers shall be British subjects. Provision is made that if it is necessary in order to enable the soldier to cast his vote, the presiding officer may take his vote without any notice to the special returning officer or the scrutineers, or without any opportunity being given to exercise any care whatever in the taking of the vote. Therefore I say that, in order to give any appearance of fairness, the presiding officer ought to be chosen by both parties, just as are

the special returning officers. I should like to have the minister allow this to stand in order that the right hon. leader of the Opposition (Sir Wilfrid Laurier), who, I regret to say, is not very well, may have an opportunity of expressing his view with regard to this section. I have expressed my own sincere opinion with regard to it. I do not know whether the right hon. gentleman would be prepared to accept the responsibility that is thrown upon him in reference to these minor officers, when he is to have no voice in respect of these important officers designated presiding officers under section (d).

Mr. E. M. MACDONALD: I agree in the view expressed by the hon. member for St. John (Mr. Pugsley), that the retaining in the power of the Government alone, without consultation with the leader of the Opposition, the appointment of the party who is to take the vote, is a most anomalous proceeding. My hon. friend the Minister of Justice (Mr. Doherty) has intimated the great desire of himself and the Government that everything in connection with this matter should be done with perfect fairness, and yet my hon. friend picks out the one particular official who has to do with the taking of the vote and retains the appointment of that official along partisan lines. Recently the votes of the soldiers of British Columbia were taken by returning officers appointed by the Government of that province on a referendum as to prohibition. Charges were made as to the manner in which these votes were taken by the officials who had power similar to that given under this Bill to the presiding officers.

Mr. TURGEON: That vote was taken in England?

Mr. MACDONALD: In England and in France, and these officers had powers of the widest description. My hon. friend here provides for the appointment of presiding officers by subsection (d) of section 4, which says:

(d) A sufficient number of Presiding Officers, who shall be military electors. They shall have and may exercise over designated camps and other places, subject to the provisions of this Part, the like powers, privileges, and functions as returning officers, particularly the power to appoint and direct sufficient Deputy Presiding Officers and Poll Clerks, who also shall be military electors. Deputy Presiding Officers shall have and may exercice in the camps or other places to which by Presiding Officers they may be assigned, subject to the provisions of this Part, the like powers, privileges and functions as deputy returning officers;

These are the officers who are to take the vote, and to have the ballots marked. An investigation has just been concluded in England and France by the committee appointed by the British Columbia Legislature, and that committee found that the election was conducted by a partizan returning officer appointed by the late Government in such a way that the whole referendum vote would be set aside on account of the numerous irregularities. My hon. friend takes great credit because he provides that after the marking of the ballot his partizan officer has the right to appoint certain officials to count the ballots. He states that the presiding officer can go around the camp with a bag, but there is no provision that it shall be locked. He gives this gentleman carte blanche to take the votes with or without scrutineers being present. He is not obliged to notify the scrutineers when he is to take the vote of the soldiers—the Act gives him absolute power and control, without anybody to supervise him. With all these possibilities to do various things open to these officers, in the light of what transpired in the vote on the referendum in British Columbia, the Minister of Justice says: Come and admire us for all our generous and fair provisions in this Bill, because, forsooth, after opportunity is afforded for all the harm to be done that could be done, we provide that, after the ballots come back, the scrutineer can have access to them. My hon. friend, after professing to be so particularly unctuous, is going to leave this essential part of the Act in its present absolutely weak condition.

Mr. A. K. MACLEAN: As was stated last night by the minister, it is clearly a difficult matter to draft, in a satisfactory way, a statute to meet all the unforeseen conditions which may arise in the taking of the military vote. We all realize the difficulty in the mere drafting of such a statute. Under section 4 we have a multiplicity of officers, and it is very difficult to understand clearly what the duties of the several officers to be appointed under this section will be. I admit that this is a very difficult matter to make clear, and it would be difficult for any body of men to draft a statute which would meet everybody's views and demands. I suggest for the consideration of the minister that, instead of having an assistant clerk to the Crown in Chancery, a general returning officer, a special returning officer, a presiding officer, deputy pre-

siding officers and scrutineers, it might be worth while considering the appointment of a non-partisan commission of six or eight, half of whom would be appointed on the nomination of the leader of the Opposition, and the other half by the Prime Minister, granting to this commission all the powers which the Bill proposes to give to the several officers mentioned in section 4. A great many questions may arise during the taking of the military vote, in Europe and Great Britain particularly, which one cannot foresee, and, therefore, cannot provide for in the statute. It seems to me that if a commission of six or eight, which was non-partisan in character, were given general powers sufficiently wide to meet all the exigencies which might arise overseas, possibly that would be the best method of taking this vote. I submit the suggestion to the committee and to the minister for consideration. Such commission, in which the House and the electors of the country generally would have confidence, would be better machinery for the taking of the vote than the appointment of the officers designated in the Bill.

Mr. DOHERTY: In reference to the observation of the hon. gentleman from St. John and the hon. gentleman from Pictou, I only wish to say that they seem to me to be wasting their time in demolishing the foundation for claims which I do not recollect having put forward. I may say at once that I have neither the ambition nor the anticipation of receiving their admiration. I am not particularly concerned with what people may think about my purposes with regard to this Bill, but I am very much concerned in getting as effective a Bill as can be got to attain the purpose in view. I do not think I am making a profession of any superior virtue, or being particularly unctuous, when I say I desire to work out the measure on as fair a principle as it can be worked out on, but while I desire to do that, I am not prepared to accept the suggestion that, with regard to this election, and to the law that should govern the election, this Government should abdicate the functions that belong to it, and which have belonged to the governments of Canada so long as there has been an election law. We must be responsible for this law. We are, because we happen to be the Government of the country, carrying all the responsibility with regard to all those matters which, under the general election law, have been in the hands of the government of the day as long as we have had an election law.

The suggestion is now made that we should hand this responsibility over to, or, at all events, share it on a footing of equality with the gentlemen who happen to be leading the Opposition. That comes pretty near to asking me to admit that this Government is unworthy of confidence; that I should alter the whole law of the country so as to take away from the Government all the ordinary functions that belong to it, and hand them over either to a combination to be formed of representatives of the Opposition and representatives of the Government, or, according to the suggestion of the member for Halifax, to a commission. At first glance, the latter suggestion appears to be not as absolutely objectionable as the first idea which evidently underlies the complaint of the two other gentlemen. Both these hon. members have pointed out that this presiding officer is precisely what the returning officer is in this country. Under our election law the appointment of the returning officer is made by the Governor in Council. Why should we depart from that in regard to the man who is to perform similar functions over there? The member for Pictou seems to have a very special objection to the man who is actually to take the vote; he looks upon him as specially untrustworthy because he is going to use a bag instead of a tin box. Do hon. members realize that he is not going to be appointed directly by the Government? This Government is going to appoint the presiding officer—that is to say, the man who will hold a position equivalent to that of returning officer in this country—and that presiding officer, who, it is stipulated, shall be a military officer, will appoint the deputy presiding officer.

Mr. MURPHY: He is to be a military officer?

Mr. GRAHAM: A military elector?

Mr. DOHERTY: He shall be a military elector. Under the letter of the law, he may be a private soldier.

Mr. GRAHAM: But he will not be.

Mr. DOHERTY: Having regard to the fact that the election will extend over a considerable district, including, if not more than one camp, at least a very large camp, reasonable people would think it well to appoint as presiding officer one who was accustomed to exercising general supervision and direction. I said "officer" because, to

my mind, an officer would be a suitable man to appoint. At all events, he is to be a military elector, and he is to be appointed by the same power that appoints the returning officers here. His functions will consist of determining where polls shall be held, of making arrangements so that the vote may be taken, and of appointing a sufficient number of deputy presiding officers, who also shall be military electors, and who will take the vote. On the whole, in this country we have had honest elections for a very long time, and those elections have been held precisely under that system. I have endeavoured to adhere as closely as circumstances would permit to the law as it applies to elections in this country. That law has been accepted; it has been acted upon; there have been no complaints about it, and I thought that the proper course was to depart as little as possible from its provisions. When I was dealing with a new class of officers—officers to whom there are no similar officers under the general law—I thought it desirable to extend the opportunity to the Opposition to have fair representation among that class of officers. In view of the fact that under this Bill, just as under the law in this country, ample provision is made for the presence of scrutineers at the counting operation, one would hardly apprehend something fraudulent simply because the counting officer was appointed by this Government. It seemed to me, as matter of convenience, that it would be a great advantage if we could combine with the counting officers the representatives of the parties. It seemed to me also that, if practicable—and I think it would be—the operations of assorting the ballots and of counting them should be carried on simultaneously, as regards different constituencies.

Quite a gathering of people—even if you have in mind only the special returning officers and clerks—would be engaged in those operations, it would be desirable to have them perform the two functions. By adopting this plan, the absence of scrutineers or the impossibility of obtaining enough scrutineers to supervise
4 p.m. the operations of each special returning officer and his clerk, would not leave either party unrepresented. I have not claimed any credit or glory for that. In order that gentleman may not feel themselves impelled to argue that I should not be entitled to credit, I disclaim in advance any credit or any glory. But it does look to me like a practical method of ensuring an impartial counting of the vote. We have to deal with this novel situation: the ballots will be assorted from a bulk of envelopes applicable to all the constituencies of the country and then counted, under the conditions which I have mentioned, outside of the country—not as they are in Canada, by the individual who actually took them and who is called upon to deal only with a comparatively small number. There was reason, therefore, for taking pains to surround that operation with such precaution as would inspire confidence in everybody concerned. I am sorry that the only result of my endeavour to provide an effective way of counting the ballots of and safeguarding everybody's interests served simply as a pretext for an attack on me on the ground that I was debarring people from certain privileges which, under any law that I have ever known of, they have not previously had. With regard to the presiding officer, we simply adhere to the established law. With regard to this newly created officer, I have thought it desirable to make this provision—and I have not heard any criticism of this provision itself. All that has been said is that this involved some debarring operation, because I did not go on and do something more.

As to the right hon. leader of the Opposition, it is entirely for him to say whether he thinks it proper to avail himself of the authority which this Act proposes to confer upon him, and I have no observation to make on that subject.

As to the suggestion that we should appoint a commission to conduct the election, I of course want to be careful about the election, but after all, what is there about it to necessitate this new departure? What is there about it to necessitate the appointment of this commission, which appointment would in effect be an abdication of the duties and responsibilities of government on the part of this Administration? I cannot anticipate any specially complicated questions arising over there, but should they arise, we shall have over there precisely the same machinery to deal with them that we have in this country. The Clerk of the Crown in Chancery will be represented over there by the Assistant Clerk of the Crown in Chancery who is to be appointed, and who will have at his disposal all the advice that may be required for the purpose of unravelling any difficulties that may arise. I confess that my desire was to keep as closely as possible to our existing Dominion Elections Act as conditions would permit. I have been asked to allow these two subsections

to stand over, and I have no objection to doing that, because I do not want to preclude any observations the right hon. leader of the Opposition may think it proper to make. I think I am correct in saying that subsection (e) is simply reproduced from the existing Soldiers' Voting Act, dealing with the provision for scrutineers.

Mr. NESBITT: I quite agree with the minister that the presiding officers and returning officers have always been appointed by the Government in power, but he must bear in mind that no provision is made here for scrutineers to be present.

Mr. DOHERTY: The presiding officer does not go into the booth at all.

Mr. NESBITT: He goes around and takes the vote.

Mr. DOHERTY: He appoints deputy presiding officers to take the vote.

Mr. NESBITT: Just as the returning officer appoints deputy returning officers. But the minister must bear in mind that under the Elections Act each party has a scrutineer in every polling booth, and I am unable to find any similar provision here.

Mr. DOHERTY: Subsection (e) of section 4 provides for the appointment of scrutineers, and confers upon them all the powers that scrutineers have on this side. Then subsection 3 of section 8 provides that:

> Where conditions make it reasonably possible, the deputy presiding officer shall give public notice of the time and place of an intended poll, and, in cases of polls to be held without Canada, a special notice to any person whose appointment as a scrutineer or deputy scrutineer has been communicated to him, with the request that he so notify.

So we have been at pains to provide for scrutineers wherever it is at all possible.

Mr. NESBITT: If the minister will read subsection 5—

Mr. DOHERTY: That provides for the exceptional case.

Mr. PUGSLEY: That is where the sting is.

Mr. NESBITT: If the two subsections are going to stand I have nothing more to say at present.

Mr. DOHERTY: The hon. gentleman's remarks would, perhaps, be more pertinent under subsection (e).

Mr. PUGSLEY: Are not the subsections so interlocked that we should consider them all together? We are conferring upon the deputy presiding officers extraordinary powers, which you do not find in the Dominion Elections Act, and which would enable the deputy presiding officers to succeed in having a large number of ballots put into the box or bag and counted, when the other party would have no opportunity of being present or having a voice in the matter at all. If the minister will pardon me for the suggestion, I would think that if these clauses stand the whole section should stand, because subsection 2 and paragraph (e) are so closely connected with the subsection we are now discussing. I think it would be of great advantage to allow this section to stand and proceed with section 5.

Mr. DOHERTY: In subsection (e) we are simply reproducing the provision with regard to scrutineers that exists in the present Soldiers' Voting Act, which was passed after a good deal of conference and discussion, and which I understand met the requirements as far as the appointment of scrutineers is concerned. I should like to pass those subsections that do not call for criticism, if there is anything in this Bill that does not call for criticism, and subsection (e), as I have said, is simply a reproduction of the provision in the present Soldiers' Voting Act. It is to enable each party to be represented, and the scrutineers are appointed by the Government only to this extent: six scrutineers are appointed by the Government, three on the nomination of the Opposition, and three on the nomination of the Government. Those six have unlimited power to appoint deputy scrutineers, who will have all the powers of scrutineers on this side. This provision has nothing to do with the administration of the Act itself. It is simply providing machinery to enable the respective parties to appoint all the representatives in the way of scrutineers that they desire, and conferring upon those scrutineers and deputy scrutineers all the powers and priviliges that belong to a scrutineer, or to the agent or representative of a candidate, under the Dominion Elections Act.

On subsection (e)—Scrutineers:

Mr. MACDONALD: The necessity for taking every possible care to prevent the contravening of this Act, is apparent to any one who looks at what has occurred in previous elections held. I have under my hand a report of the findings of the commission appointed to inquire into the

overseas prohibition ballot, published in the Vancouver Daily Sun of August 15th, which deals with the methods in which votes were taken on the other side. It is only right the committee should be acquainted with the facts before the question of scrutineers is settled. In the report I find the following:

The evidence taken at the military records office will be found in the stenographer's report of the fourth day's proceedings of the commission. For convenience, however, we refer to one or two examples of what appeared to be fraudulent voting. The first card selected for examination was that of William Brillat, No. 155063. Brillat is supposed to have voted at Crowborough on the 22nd of December, 1916, whereas the military records show that Brillat deserted on the 16th September, 1915, and had not since been reported.

The second card selected was that of Arthur Bacon, No. 429173. The military record showed No. 429173 to belong to Albert Alfred Bacon. In the one case the residence of A. A. Bacon is given as Vancouver, and that of Arthur Bacon at Victoria. Captain Sellon produced the military record of Albert Alfred Bacon, No. 429173, which showed that this man went to France on February 3rd, 1916.

Another card selected for examination was that of Alfred John Knight. It appears that four votes had been cast in this man's name, and in each case the number is given as 707244. The records show Alfred John Knight, No. 707245, 103rd Battalion, and Mr. Helmore's cards prepared from the poll books show that he was a resident of Victoria on three of the occasions when he was supposed to have voted and on the fourth occasion a resident of Vancouver. In each case the votes were cast at Epsom convalescent hospital, three times under the name of Lonergan as presiding officer, and once under the name of H. A. Douglas as presiding officer. The correct number of Alfred John Knight was 707245, the only other A. J. Knight on the records was No. 80, and he belonged to the C.A.M.C.

Another example of a fraudulent vote was found in the case of Oscar Edward Hawes, No. 487388, he was returned as having voted at Crowborough on December 22nd, 1916, the records show that Ortho Ewart Hawes, No. 487388, was killed in action on October 8th, 1916

Another case of illegal voting was that of a man who voted as Walter Lyness and William Lyness respectively, and in the one case the number is given as 183060, and in the other case no number is given. In one instance the residence is given as Vancouver, and the other as Alberni. He is supposed to have voted at Hastings on December 15th, 1916, and at Crowborough on December 21, 1916. The records show only one man of the name of Lyness, and his number is 183060, but his name is Wilbert Lyness, belonging to the 7th Battalion, who was reported missing on October 12, 1916.

. . . . . .

Out of the total number of 132 parcels of votes, the following in England were taken without any notice to the scrutineers acting for the prohibition party and were therefore not sealed by the prohibition scrutineers: Parcels No. 25, 26, 27, 31 to 41 inclusive, 47, 48, 49, 50, 51, 52, 53 to 60 inclusive, and 82. In France, the parcels of votes taken without notice to the prohibition scrutineers were as follows: 83 to 89 inclusive, 95, 98, 99, 100, 107, 115, 117, 120, 121, 124, 125, 126, 128 and 131.

According to Mr. Bayley's evidence the voting in France was in charge of Regt-Sergt-Major H. A. Douglas and Sergt. Pyle. Douglas did not, while he was in France, have any proper receptacles to put the ballots in as they were polled by the voters, but he and his deputy returning officers appear to have carried them around with them from place to place and finally deposited them with the Agent General in London—

Mr. PUGSLEY: That is what this Bill provides for.

Mr. MACDONALD (reading):

—on January 12, 1917, in proper cardboard receptacles. It would further appear that although Bayley requested Douglas to allow him to put his seal on all parcels of votes which he had, he, (Douglas) did not allow him to do so and also that a large number of polls were held in France of which the scrutineers of the prohibition party had no notice, or such short notice that it was impossible for the scrutineers to arrange to be present at the polls either personally or by deputy.

From our own personal experience in visiting military camps in France, we think there was no legitimate reason why such notice of every poll held in France could not have been given as would have enabled the scrutineers for both parties to be present at the taking of every poll. In connection with the taking of the vote in France, between December 14 and December 31, it is worthy of note that, in a letter from general headquarters by the adjudant-general for the commissioner-in-chief of the British armies in France, dated November 25th, 1916, a statement appears to the effect that at that time the number of men who had not voted was estimated at 2,533. The votes purporting to be taken in France between the dates mentioned, numbered 4,131, according to the report made by Douglas.

. . . . . .

A number of witnesses were called before the Commission and examined. The first witness was Pte. Carl Henry, No. 154254, C.A.M.C. He stated his residence to be Vancouver, and that he had voted twice. He understood one was an election and the other a by election. He was not positive whether he had voted on prohibition the first time, but was definite as to voting on prohibition the second time at what he believed to be a by election.

The next witness was Pte. Leith Gordon, No. 22058, a Winnipeg man. He testified that while he had signed some papers he had not taken any oath whatever, but that he had marked a ballot. This witness stated that he had been told by someone in the camp that any man who had resided in British Columbia could vote.

"When did you reside in British Columbia?"

"I resided there six or seven years ago."

Sergt-Major George Parker Cruikshank, No. 54014, testified that he belonged to the 18th Battalion of London, Ontario, and that he had enlisted in Galt, Ont., his place of residence at the time of enlistment, that he had never lived in British Columbia. Cruikshank stated that he had argued the point with his senior as to his voting and was informed "that it does not matter whether you have lived there

or not so long as you have been there." Cruikshank swore that he had just signed an envelope and had not marked any ballot paper.

Sergt. John Beauchamp Daly, No. 432441, gave evidence that his place of residence was Edmonton, that he had only been in British Columbia on two occasions, once in Vancouver for three days, and once in Fort George for a day or two. This witness stated that he had voted against prohibition. He was asked the question: "How did you know about the poll?" He answered: "I was coming in the gate of Pass and was called into the orderly room just inside the gate. They said: 'Have you ever been in British Columbia?' I said 'Yes. I was in Fort George once and Vancouver another time.' They said: 'That is all right then. You are entitled to vote". They gave me a form and I voted."

Pte. Creil Everard William Reginald Durden, No. 147890, 78th Battalion, Winnipeg, stated that he signed an envelope, but did not mark a ballot.

Sergt. Lee Bernard Cogan, No. 6316, stated that his residence was Detroit, Mich., and that he had never been in British Columbia and did not vote, though his name appears in Lonergan's poll book as having voted.

Pte. Edgar Field, 8th Battalion, No. 45, gave his residence as Winnipeg, and stated that he had not actually voted, but that he had signed an envelope on the outside.

Pte. John Gage, 2nd Battalion, Eastern Ontario, No. 401017, stated his place of residence was Detroit, Mich., that he had voted but did not know on what question. He had signed an envelope which had not been read over to him.

Sergt. Cecil A. Hamilton, No. 13106, 5th Battalion, gave his residence as Saskatchewan. He stated that he had voted at the polling at Epsom Camp in the fall of the year. He signed the affidavit form but did not take an oath.

Corp. Frank Taylor Harrop, No. 108274, stated that his residence was 1146 Zuill street, Medicine Hat, Can. He voted at the election but stated that some one marked his ballot for him. Pte. Vivian Potter, Battleford, Sask., stated that he had signed an envelope at the time of the polling at Epsom, but had not voted, nor was he sworn. He had not resided in British Columbia with the exception of six months in the winter of 1909-10.

Sergt. William Henry Bradley, No. 13081, 5th Battalion, stated his residence to be Saskatoon, Canada. He had been in British Columbia from the winter of 1911 until July, 1912, but not since that time. He signed his name to an envelope but did not take an oath.

Corp. Ralph Percy Biggs, No. 12968, 5th Battalion, stated his residence to be Swift Current, Sask. Some one asked him if he would vote for a wet province. He signed his envelope and marked his ballot.

Pte. Samuel Egginton Hodgins, No. 464666, Manitoba Hotel, Yates street, Victoria, swore to having voted twice on the prohibition referendum, once in London and once at Epsom. He stated that Sergt.-Major Lonergan, the presiding officer, told him that the first voting was off and he was to vote a second time.

On July 3, 1917, your commission proceeded to Seaford and the following witnesses gave evidence: Major Pringle—

That is the Dr. Pringle of Yukon fame.

—senior chaplain at Shornham camp said that he notified Sergt. Trim that he had been appointed scrutineer for the prohibition party and to notify him when the vote was to be taken. Major Pringle asserts that he received no notice and Sergt. Trim admits that he gave none.

Mr. CURRIE: Mr. Chairman, I rise to a point of order. What has this to do with this Bill?

An hon. MEMBER: Everything.

Mr. CURRIE: We have had obstruction of all kinds, but this is the most flagrant obstruction we have had during the session. I ask your ruling, Mr. Chairman, as to whether this is in order.

Mr. GRAHAM: This shows how the Bill will work out.

The CHAIRMAN (Mr. Rainville): I understand this is going to be used by the hon. member (Mr. Macdonald) as a reason why this law should not be enacted. I understand that the hon. gentleman proposes to use what he reads as an argument against the Bill.

Mr. CURRIE: He proposes using it to stop the passage of this Bill; to hold it up.

Mr. MACDONALD: My hon. friend (Mr. Currie) interrupts me to distract attention from the point. (Reading):

Major Pringle was in a position to act at any poll held by Trim had the latter given him notice.

Corp. William Harrison Welsh, No. 703426, 102nd Battalion, said that his residence was Vancouver and that he had voted for the second time on the B. C. prohibition referendum at Epsom during the first week in January, 1917. He stated that the man who took his vote at that time was Regt. Sergt.-Major Lonergan. He told Lonergan that he had voted before at Bramshott at the end of July or the first week in August, 1916. He was informed at Epsom by Lonergan that they were only holding the prohibition by-election. The votes before were not good. They had been ruled out or something.

Asked how he fixed the date of his second vote as the first week in January, 1917, he replied: "I left Irmstone hospital at Eastbourne on the 30th day of December, and it was not till eight or nine o'clock that night that we got into Epsom convalescent camp, and it was four or five days after that I went out and voted."

On being asked the following question by the chairman: "Were there many who voted at the same time you did?", the witness replied: "There was a big line-up. They voted there three or four days."

Then this evidence goes on—

An hon. MEMBER: Read it all.

Mr. CURRIE: Read the ads. too.

Mr. MACDONALD: I hope my hon. friend will be instructed by this, although

I have no confidence in my ability of being able to do that.

Mr. CURRIE: It is not relevant at all.

Mr. MACDONALD: Do not worry about that. (Reading):

Private Henry Ashdowne, No. 706108, 103rd Battalion, residence 950 North Park street, Victoria, swore that he had voted twice on the prohibition referendum, once in September at Bramshott and once in December, 1916, at Seaford. At Seaford he informed the sergeant that he had already voted at Bramshott. The sergeant replied: "That does not matter, the voting is being taken over again."

Corp. Harold J. Cowherd, No. 706880, 103rd Battalion, residence Victoria, said he also voted twice, once at Bramshott and once at Seaford in December, 1916. This witness gave as a reason for voting the second time the following:

"It seemed they came around and told us that the vote was cast out, or irregular. We naturally thought it was in order."

Pte. Arthur Leadbetter, No. 706995, 103rd Battalion, 1211 Pembroke street, Victoria, said he voted once at Bramshott, and stated: "When we came down again they said there was something the matter with the election so they called a parade again and we all voted.

Pte. Arthur Page, No. 707235, Victoria, voted once at Bramshott on the prohibition referendum and voted again at Seaford in December, 1916, on the same question. He was asked the following question:

Q. Would you mind explaining to the commission how you came to vote a second time?

A. We were given to understand that the first vote was no good.

So they go on in detail in regard to this matter.

Sergt. Pyle stated that when taking votes in France in September, 1916, there was always a scrutineer present at the polls he took,—

Which shows that there is no reason why a scrutineer should not be present.

—but there was not always a scrutineer present during the polling in December. Sergt. Pyle stated that he had no receptacles for placing envelopes in—that he simply tied the envelopes up with tape or string and sealed them with wax.

Now, I have concluded this report. The commission reported that the evidence before them indicated:

That grave frauds and irregularities were committed and that the regulations laid down for the taking of the vote were in many instances not observed.

The commission go on to deal with specific classifications of votes and they point out cases where the identification numbers and names do not agree with the record or else the numbers given had never been allotted.

It is noted by the auditor that more than one-half of these 532 cases were polled at Epsom Convalescent hospital, and that the voters concerned had no connection with British Columbia, either through themselves or their relatives.

Mr. CURRIE: Was this a non-partisan commission appointed by the legislature of British Columbia?

Mr. MACDONALD: Yes.

Mr. TAYLOR: The hon. gentleman is entirely wrong. This was a commission of three partisans.

Mr. MACDONALD: In this case it must be observed that what they were dealing with was a non-partisan question.

Mr. CURRIE: How can the hon. gentleman draw any conclusion with regard to this Bill from the reading of a report that is not relevant to it?

Mr. MACDONALD: I am dealing with the taking of the votes under an Act of the legislature.

Mr. CURRIE: A different Act altogether from that we are considering.

Mr. MACDONALD: The hon. gentleman does not know anything about the Act I am talking about. He has not seen the Act dealt with in the report. The point I am making in regard to this matter is that I am here dealing with a matter which was a non-political question. The hon. member for New Westminster (Mr. Taylor) will not dispute that. The political parties in British Columbia did not divide on the question of prohibition according to whether they were Liberals or Conservatives and on taking that vote on a non-political question the circumstances under which the vote was taken were as they are disclosed by this commission. The point I want to make in regard to this is that, when we are undertaking to deal with the taking of a vote on the question as to who are to be the members of this Federal Parliament, the provisions of the Act ought to be such that it would not be possible for conditions to arise such, as this report indicates, did arise in the taking of the vote on this non-political question. There we have evidence, for instance, with regard to the question of scrutineers. The direct and positive statement of this commission after having investigated the matter was that there was no reason why there should be any provision for dispensing with scrutineers even in France, much less in England, where the men are in camps or in hospitals and where the whole thing can be done as regularly as it can be anywhere else. Even in France the position is such

that provision should be made for scrutineers where a presiding officer may be appointed who would not be absolutely non-partisan as he ought to be.

I submit that, with respect to the clause concerning scrutineers and, in fact, all of the provisions made here, we on this side are seeking only, and my object in reading this extract from the report of conditions in British Columbia was only to impress the Minister of Justice and the Government with the fact that these irregularities, errors of the gravest possible character, double voting and voting in the names of men who were dead, or in prison, or absent, were conditions that would only entail scandals on this country after an election, no matter what the result was, and why should we not endeavour to so frame this Bill as to prevent the occurrence of these things?

Mr. DOHERTY: We are on a section which provides unlimited power of appointment of scrutineers to the respective parties. That this may have some bearing on a subject that arises later on in the schedule, is the strongest possible argument in support of this particular subsection which is providing the unlimited right of appointment of scrutineers to each party. When we come to the question later on as to their being notified, etc., we shall try to deal with that; but surely the hon. gentleman does not suggest that what he has read is a reason why we should not provide scrutineers, and this subsection is simply providing for scrutineers.

Mr. PUGSLEY: They are all so connected together that it is entirely proper—

Mr. DOHERTY: If the hon. gentleman seriously thinks this is so connected with the others, it can stand with them.

Mr. PUGSLEY: I want to convince the minister.

Mr. DOHERTY: I would do it without being convinced.

Mr. PUGSLEY: The minister cannot throw me out in that way.

Mr. MIDDLEBRO: If my hon. friend must speak, we cannot stop him without closure, I suppose.

Mr. PUGSLEY: I should like to say to my hon. friend that he has no right to stop a member of this House at all, and he has no right to threaten any member of this House with closure.

Mr. MIDDLEBRO: Later on.

[Mr. Macdonald.]

Mr. PUGSLEY: My hon. friend can apply closure whenever he pleases. But let me tell him that in the discussion of an important Bill he cannot throttle the members of this House. He has not the power to do it.

Mr. MIDDLEBRO: The minister said he was quite willing to do as the hon. gentleman asked without the hon. gentleman speaking, but he is not satisfied.

Mr. PUGSLEY: I have a perfect right to state my views, and I want to take the opportunity now of calling the attention of the minister to the fact that, under the clauses of this Bill which provides for the appointment of a partisan presiding officer who is to take the position of the returning officer and allowing that man to appoint the deputy presiding officers, in whose appointment the leader of the Opposition is to have no voice, the opportunities for irregularity and fraud will be far greater than they were in the case of the taking of the vote on prohibition in British Columbia.

I wish to call attention also to the provision with regard to scrutineers. It provides that the deputy returning officer may go around with a box or bag and take the votes of the soldiers and that while provision is made for giving notice to scrutineers, yet if the deputy presiding officer chooses to do so, he may take the vote without any notice to scrutineers. Then I would call attention to this fact, that all these deputy scrutineers are to travel about without pay, they are to follow these deputy presiding officers whenever they are taking the votes, and they are to get no pay. They are not even to get their travelling expenses.

Mr. CURRIE: When did the hon. gentleman pay Tory scrutineers?

Mr. W. H. BENNETT: When he was a Tory.

Mr. PUGSLEY: If my hon. friend thinks he can justify a Bill like this, which will enable the will of the bona fide electors to be thwarted, on any ground that these deputy scrutineers should not be paid even travelling expenses, he is welcome to entertain that view. What I say is, that under the provisions which the minister has made with regard to these deputy scrutineers, these partisan deputy presiding officers may take the vote, may travel as they please, if this Bill is to go through in its present form. I think the minister ought to see, and I trust he will see, that it demands consideration and

that the suggestion we have made that these presiding officers should be non-partisan is a reasonable proposition. All we on this side want is to see that the soldiers' vote is honestly taken, to see that the soldier votes once and only once, and to see that the votes of the honest Canadian boys at the front shall not be overturned by the votes of the people who may be willing to vote two, three or four times, just as was done in the case that has been cited.

Mr. WRIGHT: How does the hon. gentleman propose to have any man appointed whom somebody could not charge with partisanship?

Mr. PUGSLEY: Just as the minister proposes in regard to the inferior officers. He proposes that, in the appointment of the special returning officers, the leader of the Opposition shall name one and the leader of the Government shall name one alternately. I would do the same with returning officers.

Mr. WRIGHT: You propose that there should be two returning officers, one appointed by the Government and one by the Opposition?

Mr. PUGSLEY: Not at all. I would suggest that they should agree upon one and if they fail to agree he should be appointed by the Chief Justice of the Supreme Court of Canada. The Bill provides that the Prime Minister shall name one special returning officer and the leader of the Opposition shall name the next one, alternately, until they get the requisite number, and the leader of the Government shall name a clerk and the leader of the Opposition a clerk to the extent that may be necessary. But in respect to the important officer who is to appoint all these deputy presiding officers who are to control the election, I say he should not be partisan, and the fact that no provision is made for the payment even of the travelling expenses of the deputy scrutineers would show the very strongest reason why the presiding officers, who are really the returning officers to hold the poll, should be non-partisan so far as their appointment is concerned. That is why I think all this section should stand if any clause ought to stand, because they are all so linked one to the other. I would again urge upon the minister what has been urged so well by the junior member for Halifax (Mr. A. K. Maclean) that it is necessary that every possible safeguard should be placed in the Bill in order to prevent fraud and irregularities.

That is especially important, where there are no lists and the vote is to be taken by the presiding officer travelling around from camp to camp. I think the suggestion of the hon. member from Halifax, that a non-partisan commission should be appointed for taking the votes, is a good one. That is one alternative, and the other alternative is that the returning officer be appointed jointly by the leader of the Government and the leader of the Opposition.

Mr. STEVENS: I merely wish to clear from the minds of the committee a misunderstanding which might result from the statements of the hon. member from Pictou. The investigation which was held into the taking of the British Columbia soldiers' votes referred only to the taking of the plebiscite regarding prohibiton and which was extended beyond the time for the general election in the province, from September 14 until December 31. With regard to taking the soldiers' votes in the regular election, there was, I think, perfect satisfaction on both sides. A lawyer from Montreal, Mr. A. Reeves Hall, represented the Liberal party in Great Britain and France in taking the soldiers' votes, and at the conclusion of the election he wrote a letter in which he stated he was perfectly satisfied with the manner in which the vote was taken. I am not aware of a single criticism or protest being filed regarding the taking of soldiers' votes during the period of 42 days previous to September 14, which related to the election of members of the legislature. But by the Bill of the British Columbia Legislature, the taking of the plebicite for prohibition was extended beyond the date of the election, until December 31, as a result of that, certain irregularities were alleged, and I believe the commission which was appointed by the British Columbia Legislature demonstrated to the satisfaction of the public that these irregularities occurred. But my hon. friend from St. John and the hon. member for Pictou are needlessly alarmed regarding the taking of the vote under regular arrangements and regulations, such as are provided in this Bill.

Mr. PUGSLEY: Why?

Mr. STEVENS: For the reason that this Bill provides that both political parties in this House shall be represented by scrutineers.

Mr. PUGSLEY: Not always.

Mr. STEVENS: Why, most certainly.

Mr. PUGSLEY: Oh, no.

Mr. STEVENS: The difference is that, as my hon. friend suggests, instead of the Government naming the presiding officer, he shall be named jointly by the leader of the Opposition and Prime Minister, and if they disagree, he shall be nominated by the Chief Justice of the Supreme Court of Canada. My hon. friend knows perfectly well that where two political parties are concerned they are naturally going to name their friends as officers to represent them, but this Bill provides that, in addition to the presiding officers, there shall be scrutineers at every poll, named by the leader of the Opposition, so far as the Liberal party is concerned, and named by the leader of the Government, so far as the Government party is concerned.

Mr. PUGSLEY: I want to correct the hon. gentleman. It is not necessary in all cases that scrutineers shall be appointed. That is left, in certain cases, to the judgment of the deputy presiding officer as to whether there shall be notice of the poll, and it is also left to his judgment to say whether he shall take the vote without any polls being held at all, if he thinks it is reasonably necessary to take a man's vote. Thus, if it should appear that a man would not be able to attend the regular poll, his vote may be taken.

Mr. CURRIE: That applies to taking the vote of the wounded men. How could you take them any other way?

Mr. PUGSLEY: It is not limited to the vote of the wounded. It is left entirely to the judgment of the deputy presiding officer. If he thought a man was going to leave England within a certain time he could take his vote. No one can review his judgment, and, therefore, the result is that you allow the partisan deputy presiding officer, at his own whim and pleasure, to take hundreds or thousands of votes, and nobody would ever have the right to question whether it was necessary to do so or not. My hon. friend says that notice must be given in every case. That is not so. Section 8, subsection 3, says:

> Where conditions make it reasonably possible, the deputy presiding officer shall give public notice of the time and place of an intended poll.

But he is to be the judge, and the sole judge, as to whether it is reasonably possible or not. I mention these things for the purpose of meeting the suggestion of my hon. friend from Vancouver, that we have no right to demand that the presiding officer should be non-partisan in his character.

Mr. STEVENS: I suggest to the hon. gentleman that we are not on section 8. We will come to that some time to-morrow, perhaps, but we are now discussing the question of scrutineers.

Mr. PUGSLEY: But does my hon. friend not see that, if we go along step by step, and the various sections are carried, finally we will have the whole Bill carried, with all these iniquitous, unfair and unexampled provisions in it, and we are powerless then. If we pass this section, when we get on to another section which is related to it, we are told that section so-and-so was passed, and we cannot refer to it again. As one member of this committee I shall endeavour to the best of my ability to point out, if I can, in a way to convince the minister—if not to convince the minister then perhaps it would not be unreasonable to hope that I might convince some members of the committee on the other side—that that provision is unreasonable, and ought not to be adopted. We cannot make a perfect Bill, but we want to make it reasonably perfect. We say that the Bill as we now have it is absolutely imperfect. It provides no guarantee that we will secure the expression of opinion of the honest voters, but it gives an opportunity for dishonest deputy presiding officers, and for dishonest voters, to override the will of the honest voters. The Minister of Justice has stated that he has never heard any complaint as to the conduct of partisan returning officers and deputy returning officers. My hon. friend has really and truly been in a state of innocence during his political life if he has not heard any such complaint.

Mr. DOHERTY: I think the hon. gentleman ought to keep himself somewhere near the section. This section makes it possible to appoint scrutineers, and it goes no further. Has the hon. gentleman stated one word of objection to the subsection? He does not say that he does not want the scrutineers. He is discussing a lot of other things he wants, and, among them, two subsections which, at his request, I allowed to stand. With all respect, Mr. Chairman, I suggest that it is difficult to carry irrelievancy further than that. We should have to sit here and listen to a discussion with regard to those two subsections, which, at the request of the hon. gentleman, I have allowed to stand. I submit we ought to proceed according to rule.

Mr. PUGSLEY: Does the minister raise a point of order?

Mr. DOHERTY: Yes.

Mr. PUGSLEY: Before the Chairman decides the point of order, I would like to call his attention to the fact that the reason for not passing paragraph (e) at the present time applies equally to paragraph (c) and the hon. minister yielded to the request as to paragraph (c).

Mr. DOHERTY: I might have added, that about three-quarters of an hour ago, at the request of the hon. gentleman from St. John I agreed to let subsection (e) stand.

Mr. PUGSLEY: If the minister allowed that section to stand, that is something gained. Does the minister not think he should let subsection 2 stand, because that provides that the deputy scrutineers shall not be allowed even their travelling expenses? If there is not to be a non-partisan presiding officer surely some provision ouhgt to be made for the payment of actual travelling expenses incurred by the deputy scrutineers.

Mr. DOHERTY: That subsection is not yet before the committee.

Mr. PUGSLEY: The minister has been dealing with other provisions which were not read.

Mr. DOHERTY: I have been lead into temptation.

Mr. CHAIRMAN: The minister has pointed out something that I think the hon. member (Mr. Pugsley) should not overlook; that is, the desirability of keeping as closely as possible to the clause under discussion. I know that it is difficult to adhere strictly to the clause under consideration, but hon. gentlemen are old parliamentarians, and I hope that they will endeavour to keep within the rule.

Mr. PUGSLEY: If the minister is going to be pernickety about that, I suggest that the whole section be read. We are taking an irregular course, at the minister's own suggestion, of dealing with particular subclauses. The proper course is to take up the whole section.

Mr. DOHERTY: May I correct the hon. gentleman? His persistence in making statements in regard to which he is mistaken is remarkable. We began reading the section right through and it was on the suggestion of the member for Halifax (Mr. A. K. Maclean) that we proceeded to take the matter up subsection by subsection. I think that was a very reasonable suggestion; if we wanted to deal with one thing at a time, it is the most desirable way of proceeding.

Mr. PUGSLEY: I was not complaining of the suggestion of the member for Halifax. What I complain of is that the minister is trying to confine us to one particular clause. The very idea of having a number of clauses in a section is that those clauses are related to each other. It very often happens that you cannot with propriety adopt one of those clauses without knowing what is to be the final language of another. All these sub-clauses are closely related. For instance, there is the question whether these presiding officers are to be non-partisan, and there is the question of the power given to a party to have scrutineers and deputy scrutineers. If you are going to have a partisan presiding officer, the least the Government could do is to provide that the Opposition, that has no voice in the appointment of presiding officers or deputy presiding officers—men who may be of a most partisan character—should be allowed something to pay the travelling expenses of scrutineers. These men are to be the watch-dogs who will see that, in some measure at all events, these presiding and deputy presiding officers discharge their duties in an honest and non-partisan way. You cannot intelligently discuss one of these clauses without having some reference to the others. I think the minister was unduly critical of my course. It is our duty to consider this Bill as carefully as we can.

Mr. MORPHY: As I read subsection 2, the scrutineers may be paid their actual travelling and living expenses. The matter, therefore, that the hon. gentleman complains about is apparently provided for in the Bill.

Mr. PUGSLEY: The three scrutineers are allowed their travelling expenses, but the deputy scrutineers, the men who are to go round and see that these partisan deputy presiding officers do their duty, get not even their travelling expenses. Let me read the provision for my hon. friend.

Mr. WRIGHT: With regard to that point—

Mr. PUGSLEY: One at a time, please.

Mr. WRIGHT: Mr. Chairman—

The CHAIRMAN: Order. If the member for St. John objects to the interruption, he has the right to proceed.

Mr. PUGSLEY: The member for North Perth (Mr. Morphy) made the statement—inadvertently, I am sure—

Mr. MORPHY: There was no inadvertence about it; I read from the Bill.

Mr. PUGSLEY: The hon. gentleman said that these scrutineers were to be paid. In subsection 2 it is provided that the deputy scrutineers shall not be reimbursed out of the funds of Canada any sums whatever.

Mr. MORPHY: I was referring to the hon. gentleman's direct statement that scrutineers were not paid anything for expenses.

Mr. PUGSLEY: My hon. friend was not listening carefully, because I used the words "deputy scrutineers."

Mr. COCHRANE: The Conservative scrutineers are not paid, so that they are all on the same footing.

Mr. PUGSLEY: Does the Minister of Railways desire to speak? We should all welcome his special opinion.

Mr. COCHRANE: If others would not speak so much we would get on much better.

Mr. PUGSLEY: I am glad to see that the Minister of Railways is getting back to health and strength again. He is a good fighter, and we should all be glad to hear from him with regard to this Bill. What I say is that we ought not to be asked to consider subsection 2 until we know what the Government proposes to do with regard to the appointment of these presiding officers. If they are to be non-partisan, then we need not be so particular about these deputy scrutineers.

5 p.m.

Mr. A. A. McLEAN: I rise to a point of order. A few moments ago the Minister of Justice said that subsection (e) should stand. There is nothing before the committee now to discuss. If we are discussing any particular subsection I would ask that the chairman read it so that we shall know what we are considering.

The CHAIRMAN: The point of order is well taken. Subsection (e) stands; subsection 2 is not before the committee. Rule 55 says:

> In proceedings in Committee of the Whole House upon Bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and the title to be last considered.

I would prefer to read, so that order may be preserved in the committee, the remainder of the section before the discussion is proceeded with:

> (2) Such officers and functionaries and their deputies, clerks and assistants, except scrutineers and deputy scrutineers, may be paid and reimbursed as the Governor General in Council may provide, authorize or allow; scrutineers may be paid their actual travelling and living expenses only, at a rate to be fixed by the Governor General in Council; deputy scrutineers shall not be paid or reimbursed out of the fund of Canada any sums whatever.
>
> (3) Before in any manner acting under this part, the Assistant Clerk of the Crown in Chancery, general returning officer, his chief election clerk, and every presiding officer, special returning officer, deputy presiding officer, poll clerk, and clerk of a special returning officer, shall be sworn to the faithful performance of his duties.
>
> (4) The Assistant Clerk of the Crown in Chancery, the general returning officer and his chief election clerk, shall be sworn before a judge of a court of record; presiding officers, special returning officers and clerks of special returning officers, before the assistant Clerk of the Crown in Chancery, a regimental or battalion commanding officer, notary public or official authorized to administer oaths under the laws of the country where such duties are to be performed; deputy presiding officers before a presiding officer or any of the officers or functionaries hereinbefore named; and poll clerks before a deputy presiding officer.

Mr. PUGSLEY: I would suggest that subsection 2 should be allowed to stand for consideration, together with paragraphs (c) (d) and (e), all of which relate to the payment of special returning officers, presiding officers and scrutineers. To my mind it is unreasonable to ask the leader of the Opposition to assume responsibility for the carrying on—

Mr. DOHERTY: I rise to a point of order. The committee has decided that the clause regarding the appointment of presiding officers shall stand, but the hon. gentleman persists in discussing that clause, when what is before the committee is the question whether payment shall be made to certain officers or not. I have endeavoured to be considerate to the hon. gentleman and have met every request that he has made, but I cannot help seeing at this moment that when I accede to one request for a subsection to stand he makes that the ground and reason why the next one should also stand. To be perfectly frank, there was absolutely no reason advanced by the hon. member for St. John upon which one could rest a contention that the section

relating to scrutineers should stand, but I consented to let that stand because he asked for it. As I have already pointed out, this provision already exists in the Soldiers' Voting Act, and so does the subsection we are dealing with now. If we are going to make progress with this Bill at all, the hon. gentleman should realize that it is hardly reasonable to ask that every section and subsection, as it comes up, shall stand. The reason I consented to the standing of the provision with regard to special returning officers was that it was represented to me that the right hon. leader of the Opposition was not present, and would like to speak on it. I, of course, would not refuse a request based on that ground, but I would point out to the hon. gentleman that he is getting to a stage where it is impossible for me to close my eyes to the fact that he is simply endeavouring to abuse my readiness to try to meet him, by endeavouring to have every section ordered to stand as it comes up. This Bill is before the committee to be dealt with. I do not want to curtail fair discussion of any portion of it, but I cannot undertake to say that we shall allow all the subsections to stand after the hon. gentleman has talked all he wants about each one of them, and then further goes on discussing them after they have been allowed to stand. I think we must try to get down to some regular method of procedure, and I appeal to the hon. gentleman's own sense of fairness. We are here to do business, and we cannot do business if, after we have allowed a section to stand, we still have persistent argument about that section and are prevented from going on to the consideration of other sections as they come up.

Mr. PUGSLEY: If the minister has allowed the section to stand, that is all right.

Mr. DOHERTY: I allowed the provisions with regard to the payment of presiding officers and the subsection with regard to scrutineers to stand. We are now on subsection 2, and I have not as yet heard the hon. gentleman address himself to the discussion of that subsection, except that he has suggested that it ought to stand because of certain arguments that he made with regard to a previous subsection.

Mr. PUGSLEY: I think the minister does not desire to see that I am addressing myself to subsection 2. I do not want to offend the minister, but I do not propose to allow him to lecture me in regard to the course I shall pursue in this committee. The minister has one course open to him: he can gag discussion in this House if he chooses, by applying the closure. Hon. gentlemen may do it; they are in the majority.

An hon. MEMBER: We can do it.

Mr. PUGSLEY: Let them try it. I invite hon. gentlemen who make these threats to try it.

Mr. SCHAFFNER: Why does he want to talk on the section after it has been allowed to stand?

Mr. PUGSLEY: I shall exercise my own judgment. The hon. gentleman is entirely mistaken if he says that subsection 2 has been allowed to stand. If that is so, I will take my seat.

The CHAIRMAN: Subsections (c), (d) and (e) were allowed to stand. The subsection now before the committee is subsection 2, relating to the payment of election officers.

Mr. KNOWLES: I do not want a bad precedent to be established. I think the Minister of Justice is entirely in error when he says that because a section has been allowed to stand, either by the leader of the Government or some one else, hon. gentlemen are precluded from further discussing the section. It very often happens that hon. gentlemen who may not be present on future occasions wish to place their remarks on Hansard when they have the opportunity. The minister will remember, if he was faithful in his attendance last week, that after the Minister of Finance had decided at a certain hour that the Canadian Northern Railway Bill should be held over till this week, discussion proceeded for an hour afterwards.

Mr. A. A. McLEAN: I rise to a point of order. The hon. gentleman is not addressing himself to the question before the House. I think it is about time that something was done to get the business of this country proceeded with. The people will not stand for this deplorable waste of time; it is ridiculous.

The CHAIRMAN: The hon. member for Moosejaw was rather questioning the decision of the chairman.

Mr. KNOWLES: I was answering the Minister of Justice.

The CHAIRMAN: I have ruled on the point of order raised by the Minister of Justice.

Mr. KNOWLES: I did not understand him to raise a point of order. I should like to know what his point of order was.

The CHAIRMAN: His point of order was that as subsections (c), (d) and (e) were allowed to stand they could not be further discussed. I ruled that the point of order was well taken, although, of course, I should not interrupt an hon. gentleman who was making a passing reference to the subsections that had been allowed to stand.

Mr. KNOWLES: If you will allow me to respectfully make one observation, I would submit that a minister cannot shut off discussion on a section by saying that it shall stand. He must have the consent of the House before he can pass from that section. I submit, therefore, that I was quite in order.

Some hon. MEMBERS: Order.

The CHAIRMAN: If it is desired to reopen the discussion on the subsections that have been allowed to stand, I have no objection, but as we are now on subsection 2, I should be glad if the hon. member would confine his remarks as much as possible to that subsection.

Mr. McKENZIE: Would you decide that because we are on subsection 2 we cannot deal with any other part of the Bill which has relation to subsection 2? As I understand Your Honour's ruling, it is that we must take the clauses in order, and that implies and involves we must discuss them intelligently as they relate to other portions of the Bill. That is all we ask.

Mr. NESBITT: I have no desire to delay the committee, but I would like the minister to take into consideration what my hon. friend from St. John has said with reference to clause 2, that the deputy scrutineer's expenses are not paid. I see no reason why their travelling expenses should not be paid, if they have to travel any distance.

Mr. COCHRANE: It is as fair for one as for the other.

Mr. NESBITT: Surely. as far as that is concerned. At the same time, if they have to travel any distance, I think it would be only fair to pay their expenses. I only put this forward as a suggestion to the minister, because I think he wants to do what is reasonable and right in the matter.

Mr. DOHERTY: As I have already stated, this provision, as well as the preceding one, are reproduced from the existing Soldiers' Voting Act. With regard to the suggestion that we should pay the expenses of deputy scrutineers, their number is left entirely in the discretion of the party which is to be represented, just as on this side of the Atlantic the candidate determines how many agents or representatives he requires. If we provided for payment of those deputy scrutineers, we could hardly undertake to allow the liberty which I think each party ought to have to provide the number of representatives it requires. On this side of the Atlantic the parties provide their representatives, and there has never been a suggestion that the people of the country should pay for them. The suggestion now made is that persons who are there purely as representatives of political parties should be paid by the general public. I must confess this hardly commends itself to my judgment. It would certainly be a new departure. Both parties at every camp and every place where there will be voting will have their adherents. No one suggests that in any camp there will not be many Liberals as well as many Conservatives. The deputy scrutineer at a particular camp would in all probability be a man appointed from that camp, so that if the parties act reasonably in providing their representatives there will be very small expenses involved. In any event, the function of these officers is purely and simply to be party representatives, and in all our past history I do not know of a case where the public authority has been asked to pay the expenses of purely party representatives.

Mr. NESBITT: As a matter of fact the candidate pays it.

Mr. DOHERTY: It is paid by the candidate, or the party, or whoever the funds may come from. In any event, it is not paid by the Government of the country, that is, by the people generally. This is another instance in which we are merely following what is a general and well-established practice and custom, and to pass a law providing for the payment of the expenses of such an indefinite number of party representatives might entail upon the country an expense which certainly I am not in a position to foresee at the present time. Aside from that, it would be a new departure in principle if we should provide for the payment of the travelling expenses of party representatives. It may be suggested that we have departed from the principle to the extent of the six scrutineers who are to be jointly appointed. But at the time Parliament passed the existing legislation, that

action was thought justifiable under the circumstances, so that if it were considered necessary or desirable by either or both parties to send three representatives from this country to take charge from the party point of view of the conduct of the election, that they at all events would be enabled to go over there and have their expenses paid. Then it was put into their hands to provide all the deputy scrutineers they thought proper for their respective parties in the manner they thought most effective and best. I do not remember that at the time this legislation was adopted it was urged that we ought to pay the expenses of those party representatives.

Mr. PUGSLEY: I think a moment's reflection will show that subsection 2 is closely related to paragraph (d). I do not see how we can fairly dispose of the former until we know what disposition is to be made of the latter. If those presiding officers as provided for by paragraph (d) are to be non-partisan, selected by the leader of the Government and the leader of the Opposition, then there is not the same necessity for scrutineers, because they will be careful to have the deputy presiding officers also non-partisan in character and fairly representative of both sides. I submit to the committee, however, that if the minister should insist that we are not to consider paragraph (d) open for amendment, and that the right to have partisan presiding officers should be retained, then the Liberal party should not be compelled to pay the expenses of deputy scrutineers to go around to the various camps in England and in France and see that those partisan deputy presiding officers do their duty. I do not think that would be reasonable, and that is why I respectfully submitted my suggestion to the minister, not imagining for a moment that I would arouse his ire, that subsection 2 and paragraph (d) of subsection 1 should be considered together. The minister says that under no circumstances should those deputy scrutineers be paid. It is all very well for the minister to say that, when he has the appointment of the men who are to carry on the elections, who are to control the elections, who are to take the vote, and who may go around, as provided for by the other dispositions of the Bill, in charge of the ballots. It is all very well for the minister to say the Government party will pay their own scrutineers, but our position is different. If subsection (d) passes in the language in which it is at present drawn, we would have no voice in the appointment of those deputy presiding officers. They would be appointed by and in the interests of the Government party. However, if the minister insists upon subsection 2 being considered now, without waiting to dispose of paragraph (d), of course there is nothing for me to do but interpose my objection to it.

It has not been made very plain how these votes are to be taken. We have been told how the vote shall be counted, that the ballots are to be put into this bag, but I submit to the committee that the important thing is that the votes shall be properly put into that receptacle. So far all I have been able to learn about these officers, whose pay we are providing for, is that somebody will go round the country with a receptacle into which he is permitted to put votes. We are told that we may have scrutineers. I have no idea how many of these men will be engaged in taking the vote or at how many places those votes will be taken at the same time. Will there be any particular number of those places at which votes will be received? How many scrutineers will a man naturally need to have in order to be represented at these polls? It is absolutely impossible to apply the machinery of an election in Canada to the branch of the election which is to be conducted as provided for in the Bill. It is no use to attempt to apply that machinery which is made for the ordinary home election to an election taken in France, or Great Britain. The minister says to us: "You can appoint your scrutineers at home; why not do the same thing abroad?" When an election is going on in my own county I know a few people in every polling district. I can trust my friends in each polling district to see that the poll is being properly conducted. A great many of them would not ask any payment for doing it—perhaps none of them would—but here we are told that the same machinery is to be transferred to France, where I do not know anybody, where I have not the faintest idea of how many polls there are going to be and in regard to which this Bill does not help me. The minister says to me: "You can appoint a scrutineer." I do not know how many places I will have to arrange for; I do not know who may be taking the vote; but the minister says: "this is what happens at home and this is what you must do abroad." What has been suggested by my hon. friend from Halifax (Mr. A. K. Maclean) is what strikes me as the only fair

and decent way to everybody; that is to appoint a non-partisan commission. Let them all meet together, and go around together and take these votes.

Then there should be confidence and an opportunity of avoiding those horrors which happened in the British Columbia election. As to asking us to pay for the scrutineers and giving us an opportunity of doing so, I regard it as absolutely impossible for myself to be represented in England, France, Belgium, Scotland and all those places where a soldier may be found and in which I have not the faintest idea where a poll will be held. If I had the money of a Vanderbilt, and was able to pay all the men whose employment is suggested under this Bill, I cannot see how the thing could be done. The whole thing, as the Prime Minister has said, is absolutely impracticable and impossible.

Mr. MORPHY: With respect to clause 2, it has occurred to me that the Minister of Justice has got into trouble because he has been too fair. It is difficult for me to conceive of anything that is fairer than this clause. Hon. gentlemen complain that scrutineers are not paid. Paragraph 2 says:

> Such officers and functionaries and their deputies, clerks and assistants, except scrutineers and deputy scrutineers, may be paid and reimbursed as the Governor General in Council may provide, authorize or allow; scrutineers may be paid their actual travelling and living expenses only, at a rate to be fixed by the Governor General in Council; deputy scrutineers shall not be paid or reimbursed out of the fund of Canada any sums whatever.

The functionaries mentioned in that section are to be paid.

Mr. PUGSLEY: Who are they?

Mr. MORPHY: Such officers and functionaries, and their deputies, clerks and assistants, as are taking the election, except scrutineers and deputy scrutineers—

Mr. PUGSLEY: All appointed by the Government.

Mr. MORPHY: Never mind by whom they are appointed; we will come to the question of partisanship later on. They are to be reimbursed as the Governor in Council may provide, authorize or allow. Scrutineers may get their actual travelling and living expenses. Outside of this second paragraph, there is a paragraph referring to scrutineers and deputy scrutineers. Who are they? If you will refer to subsection (e) you will see that it provides that:

> Any scrutineer may, by writing, appoint any necessary deputies—

[Mr. Pugsley.]

Any necessary deputies. The hon. member for Cape Breton (Mr. McKenzie) says: We do not know how many there will be. There will be as many as may be necessary and each party shall name its own particular scrutineers. There are allowed to the Liberal party under this Act three scrutineers and they can appoint as many deputies as they like and they can send them where they please. The Conservatives can do the same thing for the conduct of the election. There is absolute fairness between the parties. The minister has gone further in this Act than any minister has ever been known to go in the history of partisan politics in Canada when he has given to the Opposition the right to appoint scrutineers to represent them, to preside over the election and to count the ballots. To my mind the hon. gentlemen opposite are unfair in their criticism. The Minister of Justice has brought it on himself because of his extra fairness in departing from what has been from time immemorial held as a Government prerogative that governments conduct the elections by their own officers appointed by themselves. The moment that this Government gives a concession to hon. gentlemen opposite, we have the hon. member for St. John (Mr. Pugsley) talking, and talking, and talking by the hour over a clause which he was told was to be allowed to stand.

Mr. PUGSLEY: Not by the hour.

Mr. MORPHY: Yes, really by the hour. Although the clause had been allowed to stand the hon. gentleman talked persistently and travelled entirely abroad from the clause, apparently approaching pretty close to the idea of obstruction. Is the hon. gentleman wishing to cast an aspersion on the ability or intentions of their own scrutineers? Does he mean to cast an aspersion on the conduct of this election by the men whom his leader will appoint? Can he not trust anybody? Can the hon. gentleman not trust men appointed by his own leader? What is the matter? What has gone wrong with the mental attitude of hon. gentlemen opposite who are imbued and thoroughly soused with suspicion about what is one of the fairest clauses ever put upon the statute book, giving hon. gentlemen a chance of preventing unfairness, giving them the right to name officials contrary to the past practice, applying the principle of fifty-fifty, three Liberal scrutineers to three Conservative scrutineers and giving them every facility to see that the election is conducted honestly, and yet the suspicion is still

there, still engendered in the individual minds of, I am thankful to say, a few only of the hon. gentlemen opposite.

Mr. McKENZIE: Perhaps the hon. gentleman would tell me at how many places and by how many officers the vote will be taken on the same day.

Mr. MORPHY: It is not for me to say that. I suppose that is all worked out in the Bill.

Mr. McKENZIE: What is the good of having these six scrutineers when we may have thirty places at which votes are being taken?

Mr. MORPHY: Deputies could be sent there.

Mr. TAYLOR: If hon. gentlemen would think a little about the conditions they would not see so many difficulties about the deputy scrutineers. Deputy scrutineers would be soldiers residing and on duty at the place where the ballot was to be taken. They would have no travelling to do in ordinary cases, because a strange soldier would not be nearly as proficient to act as scrutineer as one familiar with all the men stationed at that polling place. Then these men are already under pay as soldiers. Their pay would not be diminished, and if they had to travel, as some hon. gentlemen apprehend, they could only travel by permission of their superior officers. The Government, both in France and England, control the railways and issue transportation to soldiers, who cannot travel except by permission, so that in practice there would be no difficulty about travelling expenses of deputy scrutineers or their living expenses while on duy.

Mr. McKENZIE: May I point out the difficulty. Suppose a vote is being taken at a certain camp in England. There may be dozens of people from my county there of whose whereabouts I do not know, and I should be absolutely helpless in trying to find some one to represent me.

Mr. ARTHURS: The hon. gentleman is no worse off than any other member.

Mr. McKENZIE: I was speaking generally; every one is the same.

Mr. PUGSLEY: Every other hon. member is the same except in this, that the Government appoints the men to carry on this whole business of taking the vote and the country pays for them. The Liberals of this country pay as well as the Conservatives. We pay all of these returning officers and deputy returning officers.

Mr. ARTHURS: Not the scrutineers.

Mr. PUGSLEY: You do not need scrutineers if you have deputies. You will be careful, il I know you well, to have the right kind of men as deputy returning officers and as deputy presiding officers.

Mr. MIDDLEBRO: Good, honest men.

Mr. PUGSLEY: I have no doubt of that. But unless the minister changes his mind there is to be no voice by the Opposition in the appointing of the presiding officer or the deputy presiding officers. Take myself or the hon. member for Cape Breton as an example. What do I know about selecting a deputy scrutineer in France? Will the commanding officers allow the soldiers to act as deputy scrutineers? I doubt very much if they will. They have other duties to perform and it will simply mean—

Mr. EDWARDS: Perhaps they would not let them vote because they have military duties.

Mr. PUGSLEY: That is different. They might let them vote but might hesitate about letting them perform political work in the way of representing a political party.

Mr. ARTHURS: It is quite impossible in most cases, especially in France, to have other than military scrutineers, as civilians would not be allowed to go to the lines where it would be necessary to hold most of the polls.

Mr. McKENZIE: The minister is proposing an election which would be similar to an election held in Canada without the opportunity for people to be represented at the polling places, and I submit again that the only way to do that is by a commission.

Mr. SINCLAIR: I think the proposal is a reasonable one and that the minister should consider whether the deputy scrutineers should be paid their travelling expenses. It has been pointed out that the Government appoints the returning officers and they will naturally be friends of the Government. They will be men in whom the Government have every confidence, and they will feel that the election will be held fairly, as far as they are concerned, by the officers whom they appoint. The only officer who will represent the Opposition at the poll will be the deputy scrutineer. There are six scrutineers, but I presume these six will be reserved for the counting of the ballots after the election is over and that

it is not pretended that these six scrutineers who are appointed and whose expenses will be paid can be present at the various polls where the election is held. Consequently there is no way in which the Opposition can be represented at the different polls excepting by the deputy scrutineers, and as the officers who take the poll are Government officers, appointed by the Government and paid by the Government out of the funds of the country, is it not fair to consider whether the deputy scrutineers should not also be paid? I think it is. I think it is a proposition the minister ought to consider. I have no doubt that the Minister of Justice desires to give us a fair ballot and that there should be fair play on both sides. We all know it would not be likely to be a fair election unless both sides were represented at every poll where ballots were taken.

Sir SAM HUGHES: Did the hon. member say both sides?

Mr. SINCLAIR: I did.

Sir SAM HUGHES: I thought there was only one side now.

Mr. PUGSLEY: Then they have all come to the Liberal side?

Mr. SINCLAIR: I should say that officers should be present to represent the Opposition in every poll where votes are taken, otherwise you cannot expect to have a result in which the people will have confidence. It is not like an election in Canada, where a man has his friends in every polling district, who take an interest in his election. That we all know is the practice in Canada. But it is a very different thing when we are carrying on an election in a foreign country among men scattered in various places, none of us knowing where they are and it being impossible for us to be fully represented. Consequently the circumstances are so entirely different that I think the minister ought to take that question into his consideration.

Mr. EDWARDS: Is the hon. member contending that the Opposition should have the privilege of sending men from Canada to England or France to act as scrutineers in the interest of the Opposition?

Mr. SINCLAIR: No, I would not suggest that it would be advisable to do that. I do not think that could be done. I have no doubt that men on the other side, soldiers or civilians, will be selected who will have leisure to attend to these matters. It would be very expensive indeed to send men across the ocean, and I do not think that would be practicable. But there may be some expense in connection with travelling and attending to places where the vote is taken, and I think that that would be a legitimate expense for this country to bear.

The language of the section is rather peculiar. It says: "the deputy scrutineers shall not be paid or reimbursed out of the fund of Canada." I do not know any money that is described as the fund of Canada. I have heard of consolidated revenue, but I do not think this is the ordinary legal language. The impression given by this section is that there is a fund somewhere that is not the fund of Canada on which one side, at all events, professes to draw in order to pay its officers. I suppose that is the inference; it is a fund but not a fund of Canada.

Mr. MACDONALD: The hon. gentleman from North Perth should not complain about hon. members on this side of the House discussing this question, in view of the statement of the Prime Minister that one of the questions which occasioned the Government a great deal of care and worry for a long period was in regard to the soldiers' vote, as is referred to in the correspondence with the ex-Minister of Public Works, when the Prime Minister pointed out that the Government had spent a long time in preparing this Bill and bringing it to Parliament, with tremendous detail. I think the hon. member should withdraw the suggestion that we are discussing this Bill unduly. Voting is to take place in France and England, and hon. gentlemen say there is no use in arranging for civilian scrutineers, as the scrutineers must be in military service. Where is the provision that, if a man wants a vote taken in a particular camp, he is to have the right to go there, and that transportation will be given to him? My hon. friend from Cape Breton might discover some friend over there whom he would like to have appointed scrutineer in a certain district. This man may come along and get his rations, but he is not going to get any money for his trip. The Government has the lists of all the men overseas, and hon. gentlemen on this side of the House are not in the same position in that respect. How are people to know, when engaged in a contest in a county here, whether the interest of particular candidates over there are being looked after?

Mr. COCHRANE: Our three men from the Opposition will nominate the scrutineers.

Mr. MACDONALD: These men are not going to be omniscient. Suppose the hon. gentleman from Cape Breton has a battalion in a particular place, and desires to appoint some friend to be deputy scrutineer, to see that the vote is properly taken, how would it be worked out? Apparently the voting is taking place simultaneously all over; the soldiers are not going to vote in one camp one day and in another camp another day.

Mr. COCHRANE: The hon. gentleman from Cape Breton would have nothing to say about it. The three men nominated over there would have the say.

Mr. MACDONALD: But they do not know everybody from Vancouver to Sydney, and the only way they could know would be by my hon. friend from Cape Breton, or some one else, writing them and saying he would like to have a certain man appointed scrutineer.

Mr. MORPHY: Every member is in the same position.

Mr. MACDONALD: I know that. How is the man he might want to have appointed scrutineer to get his expenses? I should like to have that question answered.

Mr. DOHERTY: I think I have explained several times that this is the section that exists in the Soldiers' Vote Act, and the question was all threshed out when that Act was passed, and this is an entirely novel suggestion that the people of Canada should be called upon to pay party representatives. The hon. gentleman asks: where are we going to get the transportation for the gentleman the hon. member for Cape Breton will select as scrutineer, and who will have to travel from place to place? If an election is being held in Montreal and I determine I would like to have a man from Vancouver to act as my scrutineer, I do not know what reception I would get in the House, if I came and said the people of the country should pay the expense of that gentleman from Vancouver. I must confess I have difficulty in following the reasoning that suggests that the expenses of party representatives on each side should be paid by the people of Canada. The hon. gentleman is discussing this question as though the hon. member for Cape Breton was going to select his personal friend to be scrutineer for him. If hon. gentlemen look at the Bill they will see we are not undertaking any gigantic scheme to provide scrutineers for individual candidates. If any hon. gentleman thinks he can afford that luxury, we will not prevent him, but we are following the method which met the approval of this House when the Soldiers' Vote Bill was passed. That leaves it open to the party to provide themselves with such representatives as they desire. We give them absolute liberty in that regard, and recognize all the representatives and give them machinery to provide for representatives, but we feel that, when we have done that, we can hardly be called upon to go further, and pay the expenses of these representatives.

Just as candidates in Canada find scrutineers available at the places where they are required, I should think the representatives of the respective parties would be able to find persons at the different places where polls are going to be held whom they could appoint as deputy scrutineers. It was not really incumbent upon Parliament to make this legislation to provide for party representation at all, but we have done it because it seemed to us a fair thing to do, under the circumstances. To suggest that it should be pushed further, and that we should impose upon the people of Canada the expense that properly belongs to the respective parties is a suggestion which it is quite imposible for me to accept.

Mr. McKENZIE: No person, so far as I know, is looking for any charity from the Minister of Justice in regard to any legitimate election expense that the candidate should bear, but we are looking for an opportunity for proper representation of each party at every place where the poll is to be taken. Let the minister form a commission under this Bill; let the Government appoint some competent man as chairman, with whose appointment we will have nothing to do. Let an equal number of men be selected on each side, and let the Opposition pay their share of the expense, and the Conservatives pay theirs. Then the commission could report, and could assure us that every vote was taken.

Then we shall know that things will be done in a proper and honest way. Under this provision certain persons have the right to travel around the country trailing bags after them, with the opportunity of piling into those bags the ballots of men that they meet on the streets. Yet I am told that we have nothing to complain of. The hon. minister says: a scrutineer will be appointed; we will not pay him; you can pay him if you like. Is that a satisfactory answer to the suggestion that these officials will be trailing bags around with them and filling them up with paper; that the fate

of the people so far as government during the next five years is concerned will depend upon what those officials put in those bags? That is what I complain about. The provision is not fair; it is absolutely partisan; it is capable of producing absolutely scandalous results. We have evidence from British Columbia that on a non-partisan question—that of whether liquor shall be sold in British Columbia or not—corruption of the worst kind developed; there was double and treble voting; rascality in its worst form was perpetrated. If these things happened in such a case as that, what will happen in this case, during the full force and agitation of a Dominion election? We have reason to suppose that under this law conditions will be a thousand times worse than those that prevailed in British Columbia. I have to run my election in Cape Breton county and so far as the vote of the soldiers is concerned I shall be absolutely unrepresented. The minister says that if he should want a scrutineer to look after his poll in Ste. Anne division, he himself would have to pay for that man's services. That is no answer; that does not touch the point at all.

Mr. MURPHY: As the hon. member for Pictou (Mr. Macdonald) said, this is not a matter that affects any particular member. It affects every member of the House; it may affect each member in the same way. I have listened to the discussion during most of the afternoon, and I have not heard any reason why the number of deputy scrutineers who may be appointed by the scrutineers is unlimited. I assume from what the minister said that the deputy scrutineer will correspond to the scrutineer who acts inside the polling booth during an election in Canada. If that be the fact, I should like to know why an unlimited number of these scrutineers may be appointed. I should also like to have an explanation from the minister with regard to the expression referred to by the member for Guysborough (Mr. Sinclair): "the fund of Canada".

Mr. DOHERTY: To answer the last question first, I think that probably the letter "s" has been left out; it being intended that the word "funds" should be used as designating the moneys of Canada. It is not intended to convey any other sense than that no money of Canada shall be paid to these people.

Mr. MURPHY: Then it should not pass in that way.

[Mr. McKenzie.]

Mr. DOHERTY: I will have that corrected. As to why we allow an indefinite number of scrutineers, it is not possible for us to anticipate how many scrutineers each party may require in order to provide themselves with representatives at the polls and at all the different operations of counting that will be carried on. We therefore leave it to each party—each party being represented by its three scrutineers—to name the deputy scrutineers. The reason why we do not limit the number of deputy scrutineers to be appointed is in order that each party may be able to provide whatever number it deems necessary. It is prescribed how many representatives each party may have at a particular operation, such as the taking of the vote. We are now dealing with how many people may be empowered under this Act to act as representatives or agents. We leave it to the discretion of each party as to how many they may require. I do not see that we could definitely prescribe the number. One party may think they need more than another; neither party is in a position to determine at the present moment how many persons they may require as agents. That will depend upon the number of polls that may be held. The intention is to provide as many polls as may be needed to enable us to offer opportunity to all the soldiers to vote. Just in proportion as the voters may be more or less scattered, you will have to have a greater or less number of polls. It is impossible, therefore, to define how many occasions there may be for a party needing the services of a representative. When we come to the particular operation, of course each party is entitled to a definite number who shall be present, say, at the taking of the vote. At the taking of a poll each party is entitled to have one representative, but where a number of polls are held at the same time a party may need large numbers of representatives, if it is to be represented at all, at each of the polls. That is why we left this mater to the discretion of the respective parties.

At six o'clock the committee took recess.

After Recess.

The committee resumed at eight o'clock.

Mr. MURPHY: When the House rose for dinner the minister had just explained the reason for not limiting the number of deputy scrutineers to be appointed, and the probable disposal of them in case of an elec-

tion. Did I understand him to say that there was some provision in this Bill similar to that in the Dominion Elections Act, which prohibits more than two agents for each candidate from being in the polling booth at the same time as an elector?

Mr. DOHERTY: Yes, the provision will be found in subsection 4 of section 8, which provides that:

> The deputy presiding officer shall permit any scrutineer or deputy scrutineer, or, in the absence of both, any one military elector, to be present at any poll, and to act thereat as agent on behalf of any party, with the powers of an agent of a candidate at a poll held under Part III.

The only difference between this provision and the similar provision in the Dominion Elections Act is that we are imposing on the deputy presiding officer the obligation of permitting one scrutineer on behalf of each party rather than two. We cannot, of course, provide for representatives of the individual candidates, or we might have to have 468 scrutineers at each taking of votes.

Subsection agreed to on division.

On subsection 4, section 4—Before whom sworn:

Mr. MURPHY: I observe that some of these officers may be sworn before a regimental or battalion commanding officer. Is there any authority empowering a regimental or battalion commanding officer to administer oaths other than that contained in this Act?

Mr. DOHERTY: The only other provision that I know of for their administering the oath is when the soldiers attest. The Military Voters' Act of 1915 confers this power upon the officers.

Mr. ARTHURS: I would suggest that the minister add, after the word "officer," in line 6, the words "or officer in charge of an independent unit." I have in mind certain cases where large bodies of our troops in France are not in charge of a regimental or battalion commanding officer. For instance, the three Canadian tunnelling companies who are now at Ypres, and have been there for the last year and a half, are under the command of a captain or major. They are called independent companies and number about 800 to a company, the three companies comprising in round figures about 2,500 men. There are other cases of this kind where isolated bodies of Canadian troops in France are not in charge of a regimental or battalion commanding officer—in connection with the divisional trains, for instance.

Mr. MURPHY: Would the suggested amendment of my hon. friend be wide enough to cover cases similar to the ones he has cited, though perhaps not exactly analogous?

Mr. ARTHURS: I think so.

Mr. DOHERTY: While I am willing to accept the suggestion, we are dealing here only with oaths to be taken by officers under this Act, not with oaths to be taken by the individual soldier who comes to vote. Most of these captains would probably be able to find some other officer who was empowered to administer the oath. But I am quite willing to accept the suggestion, as it might be useful.

Mr. MURPHY: Is the form of oath to be taken by these different officials included in the Act?

Mr. DOHERTY: No form is provided. The provision is that they shall be sworn to the faithful performance of their duties. It did not appear to be necessary to make a special form.

Mr. MURPHY: I am not so particular about the form. But what record will remain as evidence that the oath was administered and taken? There should be something of that kind among the papers.

Mr. DOHERTY: I do not think it is necessary for us to specially prescribe here that a record shall be made of the taking of the oath. This whole provision is to form part of the Dominion Elections Act. We are prescribing for those things which are to be done differently from the procedure under the General Elections Act, and what we are providing here to be differently done is as to the persons before whom the oaths may be taken. I am rather under the impression that the form with regard to these oaths under the general law, whatever it is, would apply here, but I will look into the matter and make sure.

Mr. MURPHY: The record of these oaths is usually returned in an envelope with the ballot box.

Mr. DOHERTY: Yes.

Mr. NESBITT: Do the deputy scrutineers have to be sworn?

Mr. DOHERTY: They would require to be sworn if they took any part in an open vote, just as scrutineers have to be sworn under our present law, if I remember

rightly, when a man has his ballot marked for him. But for the ordinary performance of his duties, the scrutineer is not an official acting on representative public authority in any way, and there is no provision requiring him to take the oath merely because he is a scrutineer.

Mr. GRAHAM: He takes the oath of secrecy?

Mr. DOHERTY: Yes, in cases where he is called upon to be present when a voter marks his ballot.

Mr. MURPHY: He takes oath at the beginning of the poll, and that applies to the whole day?

Mr. DOHERTY: I will look into it. If the general Act requires it, of course it will be followed.

Mr. NESBITT: Would the general Act apply in this case?

Mr. DOHERTY: There is no provision that this part is to be read as forming part of the general Dominion Elections Act. It is really made part 4 of that Act. We make exceptional provisions in this part. As I understand it, the rest would apply where applicable.

Subsection as amended agreed to.

Mr. PUGSLEY: Why not take up paragraphs (c) and (d) of section 4?

Mr. DOHERTY: Before we take them up, I might point out that I was asked to let them stand, because it was suggested that the right hon. the leader of the Opposition would probably desire to say something upon them. As he is not present now, would it not be as well to let these paragraphs stand and take up some of the other sections, because we will probably have to come back to these sections when he is present.

Mr. PUGSLEY: The leader of the Opposition told me he was unable to be present to-night, and he authorized me to state his view to the committee. As the minister seems anxious to get along, I would not like to have these paragraphs delayed, and it is not the desire of the leader of the Opposition that there should be any delay. He stated to me that he regards it as extremely unfair that he should be given the right to name a certain number of the inferior officers, who really have no control whatever over the election, and in regard to the presiding officers, who take the places of the returning officers where the election is held in Canada under the ordinary provisions of the Dominion Elections Act, he should have no voice whatever, and that the Government should have the whole right of appointment, thus making them partisan officials. He thinks there should be in paragraph (d) exactly the same provisions as are contained in paragraph (c). Therefore, in order to make them conform, I move in amendment, seconded by Mr. Lemieux:

That paragraph (d) of subsection (1) of section 4 be amended by inserting the word "even" after the word "sufficient" in line 1 of the paragraph, and by inserting after the word "electors" in line 17 the words "half of the number of such presiding officers shall be nominated by the Prime Minister and the other half by the leader of the Opposition."

If I have the permission of our genial friends who occupy seats behind the treasury benches, I would like to make a few remarks in respect of this amendment.

Sir GEORGE FOSTER: The hon. gentleman recognizes his masters.

Mr. PUGSLEY: I submit this is an eminently fair and proper amendment, and if it is not accepted it will afford to the people of this country conclusive evidence that this Bill has been so designed as to permit fraud and irregularities in the taking of the soldiers' votes. That is the conclusion which inevitably will be drawn from the course of the Government in respect of the Bill. The Bill provides now that the Prime Minister and the leader of the Opposition shall have the right to nominate an equal number of special returning officers, also that the leader of the Opposition shall be allowed to nominate three scrutineers to act jointly with the scrutineers nominated by the Prime Minister. The reason for making that provision is because it is recognized that the soldiers' vote is to be taken under most exceptional and extraordinary circumstances. It is recognized that there are a large number of votes to be taken, and that it is desirable there should be some provision made in the way of safeguards to prevent unfairness. In the case of an election being held in Canada under ordinary circumstances, no such provision would be deemed to be necessary, and no such provision has been made. But, admitting it is necessary to create safeguards along those lines, I would ask you if it is fair simply to allow the leader of the Opposition to have a voice in the naming of the inferior officials, of the men who have no real control in connection with the

holding of the polls and the taking of the votes, and to decline to give him that right and privilege in respect of the higher officers who have all to do with the taking of the vote, with the holding of the polls, and who should exercise absolute fairness and impartiality in order to assure a fair and honest election.

The greatest possible opportunities are necessarily afforded by this Bill for fraud and irregularities. My hon. friend from Pictou (Mr. Macdonald) cited instances of gross fraud and irregularities in the taking of the votes of soldiers from British Columbia at the front in respect to a question which was not in any sense of a partisan character. If that were likely to occur in that case, how much more likely is it to occur in this case where there are partisan deputy presiding officers and where there will necessarily be, as there always is in elections, a partisan spirit and a desire on the part of those to whom is entrusted the machinery of the election to win the election for the party with which their sympathies are and the party which has appointed them to discharge this duty. We might avoid that to a very great extent if the presiding officers were appointed jointly upon the nomination of the Prime Minister and the leader of the Opposition. I can see no reason why the Government should allow this in the case of the inferior officers and refuse it in the case of those who are really the important officers and upon whose impartiality and fairness rests the proper conduct of the election. I am authorized by the leader of the Opposition, upon whom is imposed by clauses (c) and (e) the duty of joining in the choice of the inferior officers, to state that he considers this Bill will fall far short of giving a fair and reasonable opportunity for an honest and impartial election if the same right is not conferred upon him under clause (d) to join in the appointment of the presiding officers.

The Bill gives very wide powers to these presiding officers, particularly to the deputies who are appointed by the presiding officers. They have very great powers. They are allowed to exercise a wide discretion and in many cases, if they see fit to do so, they may take the votes without any notice whatever to the scrutineers and without the candidates of either political party having any opportunity to say a single word in regard to it. I do appeal to the Minister of Justice, if he cannot accept the suggestion of my hon. friend from Halifax (Mr. A. K. Maclean) that there should be a non-partisan commission to attend to the whole matter, to accept the suggestion and act upon the request conveyed through me now by the leader of the Opposition, who is not able to be present to-night, that the same provision be inserted in clause (d) with respect to the appointment of the presiding officers, as the minister has inserted in clauses (c) and (e) with respect to the special returning officers and scrutineers.

Mr. DOHERTY: I understand that the hon. gentleman is moving in amendment that clause (d) should be made to correspond, in so far as the nominations are concerned with clause (c) and that we may take it that (c) is not objected to. I would like to get at it in a regular way so that we could take up the discussion of the amendment to (d) and therefore I would suggest that we dispose of clause (c) first.

Mr. PUGSLEY: I would think that the three clauses ought to go together.

Mr. DOHERTY: I do not quite see what we gain by allowing clause (c) to stand while we are dealing with (d) and moving to amend it by applying the principle of (c) to (d). Unless it is assumed that the principle that underlies (c) is approved, why should we be seeking to add it to (d)?

Mr. PUGSLEY: While the leader of the Opposition might be fairly called upon to perform the duty of taking part in the nomination of presiding officers, special returning officers and scrutineers, a duty which he is quite willing to perform, I think it an outrage—and I think I can speak for him when I say it is an outrage—that he should be called upon to perform that duty with respect to the minor officers and should be refused the privilege of performing the same duty in respect to the higher officers.

Mr. DOHERTY: Am I to understand that if the amendment to (d) were not carried then clause (c) would be looked upon as an outrage to the leader of the Opposition? As I understand that the reason why we cannot deal with clause (c) by itself is that if we do not amend clause (d) then clause (c) stands as an outrage to the leader of the Opposition? I have heard many observations during the course of this discussion that have surprised me, but I confess that none has surprised me more than the suggestion that it is an outrage to the leader of the Opposition to confer upon him this right which is conferred by clause (c). I can grasp the complaint, although I do not think it is a well founded complaint, that the same authority is not

given him in regard to those officials to be appointed under clause (d). But I have a good deal of difficulty in seeing where the outrage presents itself in the fact that we extend the right to the leader of the Opposition to nominate half of the gentlemen who are to do the counting. The hon. gentleman (Mr. Pugsley) has spoken of the minor and inferior officers and people of no importance at all in the conduct of this election. I respectfully beg to differ from him in that regard. I ask the House what criticism we should have been subjected to if, when we, dealing with a new class of officers—a class of officers that does not exist under the Dominion Election Act, a class of officers for whose services there is no occasion in a general election, a class of officers who are to be responsible for the proper counting and return of the ballots—we had not given the leader of the Opposition the right to have a say in the selection. That strikes me as a very important part of the work of an election. There was a very wise gentleman, who wrote a large number of articles replete with wisdom, and written in a most eloquent brogue, who put it forward as a suggestion for the settlement of the difficulties which eventuated in the Boer war that if he had been allowed to he could have settled the matter perfectly—that he would have been quite satisfied to allow them to give votes to whomsoever they chose provided only that they would allow him to count the ballots. I think that there is no operation of more importance than the counting of the ballots.

Mr. PUGSLEY: It is more important to get them in the bag in this case.

Mr. DOHERTY: We will come to that in a moment. To represent it as an operation of no importance, of so slight an importance that it is an outrage on the leader of the Opposition to give him the opportunity of appointing one-half of the people who are going to do that counting and, furthermore, to provide that no counting shall be done without one officer of his nomination being present at it, is a statement that I frankly confess I am incapable——

Mr. A. K. MACLEAN: The member for St. John will probably withdraw the word "outrage" if the minister will tell us he will accept the amendment.

Mr. PUGSLEY: Call it an insult.

Mr. DOHERTY: I am asked to agree to an amendment to clause (d) as a condition to my refraining from making any observations about the section that is objected to. I cannot quite grasp what the objection to clause (d) is. It has been offered to withdraw the word "outrage". If that word is withdrawn, then I would understand that the objection made to clause (d) is withdrawn, because that is the only objection I have heard. However, it is for the leader of the Opposition to determine what is the proper course for him to take in regard to clause (c). It was not inserted with any intention of offering offence and it is a matter of surprise to me that it should be suggested that there can be a word used to indicate that there is anything offensive in it. As regards the amendment, I do not know that it would be useful for me to go over what I said this afternoon. When we come to deal with this amendment we are dealing with a class of officers who have existed under the Elections Act so long as we have had elections; and the universal practice has been that the Government should appoint them and be responsible for their appointment, as the Government must be responsible for the carrying on of the election. Now we are asked to abdicate that function simply because it is soldiers whose votes are going to be taken under the direction of each presiding officer; for it is not a question of the deputy presiding officer but of the presiding officer. It is soldiers' votes that are to be taken in France and England and the suggestion is that because that happens it necessarily follows that we ought to call in the Opposition to share with us the duty of appointing these public officers and, naturally, the responsibility for the carrying on of the election. I have not heard any reason advanced that could not be equally applied to the appointment of returning officers in this country. I am not at all prepared to accept the argument that because a man is appointed to a public office to do the business of the state, by the Government, that he is necessarily a partisan, and such a partisan as will abuse his position to give advantage to the party to which the Government which appointed him happens to belong. In all frankness, do we all stand here charging the returning officers in all the constituencies of Canada, ever since there has been a Dominion and we have had elections, with having been that kind of partisan and with having subjected the members of this House to injustice? I think the implication is most unfair and not justified by the facts or by experience. There may be cases

where a returning officer, because he was appointed by a certain government, or not so much because he was appointed as because he individually happened to be an unscrupulous partisan, has abused his position. But I have been through two elections and in each case the party to which I was opposed was in power; they appointed the returning officer and he appointed deputy returning officers, and I never had ground to complain against that gentleman; I never saw that he did not perform his duties perfectly fairly and impartially from start to finish, and I am quite satisfied that hon. gentlemen from every other constituency can give the same testimony. I cannot subscribe to the doctrine that because a man is appointed to this important public office by the Government, that necessarily means that he is going to be a partisan of the type that will violate his oath and abuse his office for the purpose of favouring the party represented by the Government which appointed him. That is the one reason that is advanced. We have never heard this presiding officer mentioned to-day without the prefix " partisan." The prefix, of course, applies necessarily, if it applies to him, to every returning officer and every deputy returning officer who has acted in any election in this country, and to all of those who will act in the election that is to come; and yet we have not had any suggestion that in this country the Government should abdicate this function and duty of appointing the returning officers. I can see no reason why we should depart, with regard to these precisely similar officers, from the rule which has been the custom for so long and that is still the law in this country.

Mr. PUGSLEY: In view of the minister's statement that the Government should not at all abdicate its exclusive right to conduct an election, why has he given to the leader of the Opposition the right to name one-half of these special returning officers?

Mr. DOHERTY: If the fault found with me is that I gave that right to the leader of the Opposition, then, of course, it is with some little surprise that I discover that fault is found, but to avoid criticism for having done that I would consent to withdraw the clause giving that power. If consistency is so precious a jewel that, rather than I should lose it, the hon. gentleman would prefer that I should not extend that power to the leader of the Opposition, I will be willing to withdraw that clause. I have said what I have to say on that clause, and I have pointed out that the reason this provision was made is that this is the first time that there has been occasion for the services of officers of this kind. We are dealing now with a very special office, one that has not existed in the past and an office the holders of which are to perform duties, in my opinion, of the very first importance. We are also providing for an operation where there will be very material advantages to result from the fact that the same individual fills the public office and also acts, perfectly frankly and fairly, as the representative of his party to see that things are done right. And that brings me to a moment's consideration of what is proposed here. With regard to counting officers and returning officers, they are to act in couples. This operation will be carried on by the two together; the one and the same operation is participated in and controlled by the representatives of each party. What is in the mind of the hon. gentleman with regard to presiding officers? One-half of them will be named by the leader of the Opposition and one-half will be named by the leader of the Government.

Those two presiding officers do not act together, and the reason put forward for requiring this is that the man named by the Government will necessarily be a partisan of the Government. It is not unfair, then, to conclude on the same reasoning, that the man named by the leader of the Opposition will be a partisan of the Opposition. With a nomination of that kind, we withdraw from the man who holds the position any idea that, whatever the complexion of the government that appointed him he is a representative of the whole state and is charged with the duty of being faithful to the whole people. When you divide them up in this way, and have one of them the nominee of the Opposition, and the other the nominee of the Government, it is notice to them that they are to be representatives of political parties, and what is going to happen?

Mr. A. K. MACLEAN: Why did the minister appoint special returning officers, half of whom are to be nominated by the leader of the Opposition, to do the counting and recording? Ordinarily the counting is done by the returning officer.

Mr. DOHERTY: Yes.

Mr. A. K. MACLEAN: What was the purpose of this provision?

Mr. DOHERTY: Ordinarily the counting is done by the returning officer. I should

like to ask the hon. gentleman from Halifax how he would suggest that, in the taking of the soldiers' votes, the presiding officer should count the ballots. The hon. member, when he suggests that, must certainly forget that the deputy presiding officer will be taking the votes of a group of soldiers.

Mr. A. K. MACLEAN: No, that is not the point.

Mr. DOHERTY: Then I would be glad to understand it.

Mr. A. K. MACLEAN: I simply asked why in this Bill power is taken to permit the appointment on the recommendation of the leader of the Opposition of one-half of the special returning officers. I do not object to it. I think it should be there, and I do not agree with the hon. gentleman from St. John in that respect. But why give that power to the leader of the Opposition in that case, and not in the other case?

Mr. PUGSLEY: I wish to correct my hon. friend. I said exactly what the hon. gentleman says. I says it is an insult to the leader of the Opposition to have the provision in respect to the inferior officer and refuse it in respect to the important officer.

Mr. DOHERTY: May I take it that the clause is adopted? Here are hon. gentlemen vying with each other to say how perfectly satisfied they are that that should be done with reference to the returning officer. The hon. member for Halifax asks me why I did that. I must express my regret that I have such a marked incapacity for conveying my ideas. Whether the reason be sufficient or not, just a few moments ago I gave the reasons which led me to do that. I will be glad to repeat them if it is necessary.

Mr. A. K. MACLEAN: The hon. minister did it because he thought it was a fair thing to do, and would eliminate suspicion?

Mr. DOHERTY: Yes.

Mr. A. K. MACLEAN: Why not apply the same idea to clause (d)?

Mr. DOHERTY: I did it because I thought it was a fair thing to do, and because we were dealing with an entirely new phase, conferring functions upon this man to be carried out under conditions absolutely different from those under which the counting of ballots is ever done. I did not do it to avoid suspicion, I did it because I believed it to be fair and unobjectionable. If I had done it in the hope of avoiding suspicion, I may say that I would have been grievously disappointed, because all I seem to have earned by it is a grave suspicion with regard to the presiding officer. This assortment and counting of ballots as proposed will very probably have to be done under conditions where there will be a number of acting returning officers and a number of clerks busy assorting ballots from numerous different constituencies and counting those ballots at the same time. If one sought to provide for representation of the party merely by scrutineers or agents, it might present very serious practical inconvenience to provide agents for both parties to watch the operations of these numerous groups of acting returning officers and their clerks and it seemed to me that there was a direct practical advantage in providing that the people doing the work should really fill the dual office of assorters or counters of ballots and of representatives of the party. I had a new function to confer; it was one, in my mind, of very great importance; and I thought that it would be, as the hon. gentleman says, a fair thing. Because I did that I am now asked to abdicate what has been the function of governments even since we have had elections with regard to an officer whose duties are on all fours with those of the ordinary returning officer—in fact not as important, because he has not to do with the official return with regard to the election. I am not prepared to accept the doctrine that this Government is incapable of appointing to a position of that kind any except a partisan, those capable of using the office for the purpose of fraud and of partisanship; men who will see to it that every deputy presiding officer they appoint shall be equally a partisan capable of violating his oath and using his office for the purpose of fraud. I am quite satisfied there is no foundation for the suspicion which I have aroused by my simple desire to guard this new and very peculiar office with what I am prepared to admit is a most extraordinary precaution. While I was not doing it to ward off suspicion, certainly it was one of the last things that I could have imagined would have brought upon me all this suspicion.

As regards the amendment, I certainly cannot, for the reasons I have given, accept the proposal, and I trust that members of the committee will agree with me that it is not a proposal which I can fairly be expected to accept.

Mr. A. K. MACLEAN: I hope the minister will reconsider his position in respect to the amendment offered by the hon. member for St. John, and will yet accept it. It is a pity we should take up a whole hour getting nowhere, and having the whole issue befogged, when we might make progress by the minister accepting the amendment. I rise particularly to second his amendment. The conditions surrounding the taking of the military vote in Europe are in no respect similar to the conditions surrounding the polling of votes in ordinary elections. I make the suggestion to him in a friendly spirit that I do not think he gave the committee any reason to justify the position he took a moment ago in refusing to accept the amendment.

He has stated that the Government should not be expected to forego a function usually exercised by a government during election time. Quite true; but the premise is wrong; the conditions are dissimilar. In taking an election in Canada in ordinary times, it does not matter much who the returning officers or the deputy returning officers are. In the constituency of Halifax in the Dominion elections half the deputy returning officers are Conservatives and half Liberals. Although the returning officer in that constituency is a Liberal, he will likely be the returning officer during this election, notwithstanding the fact that the Conservative party is in power.

Mr. R. B. BENNETT He is probably the sheriff.

Mr. A. K. MACLEAN: He is the sheriff. There is no law compelling his appointment as returning officer, but the practice followed has prevailed in that county for a long number of years. It never mattered much to me who the deputy returning officer was in a constituency with which I was familiar, because there were ample means of protecting oneself. There was the clerk; there were the representatives, and there was the fact that every man who appeared to cast his vote in any polling section was well known. In taking the military vote in Europe, the conditions will not be at all like this. The presiding officer will be unknown to the military voters, the military voters will be unknown to the presiding officer or to the deputy presiding officer; and the scrutineers may be absolutely unknown to either. For these and other reasons, the conditions are absolutely dissimilar. I say, therefore, that the Minister of Justice is not justified in arguing that because ordinarily it is the function of the Government to appoint returning officers in elections, they should not forego that function in respect to the taking of a military vote in Europe. The Minister of Justice should not ask the committee to refuse the amendment offered by the member for St. John upon the ground that he has taken.

In the experience of British Columbia we are afforded an illustration of some of the conditions surrounding the taking of the vote in Europe. The facts given to the committee this afternoon by the member for Pictou (Mr. Macdonald) show quite plainly that there are great opportunities for partisanship and manipulation of one kind or another. No matter what the intentions and desires of the Government may be, these things may occur. The Minister of Justice, without being asked by the committee to do so, has agreed that special returning officers shall be appointed upon the nomination of the Prime Minister and of the leader of the Opposition. I asked him why he did that, and he replied, because he wished to evince a spirit of fairness and to do justice to all interested. If that is true in respect to the appointment of special returning officers, is it not applicable also to the appointment of returning officers and deputy returning officers? The counting of the ballots is ordinarily the function of returning officers; why did the Government not retain that function in its entirety? Why did they give away part of that function by enabling the leader of the Opposition to name half of the special returning officers? The minister has not answered that.

9 p.m.

As I stated this afternoon, this is a very peculiar piece of legislation. In respect to almost every section we shall have great difficulty in reaching an agreement. We all agree that it is a very difficult statute to draft, and that it is very difficult to please both parties. I am quite sure, however, that we could pass this section in a moment if we agreed to the amendment offered by the member for St. John. Is there anything wrong with that amendment? Upon what grounds does any hon. gentleman object to it? Is it not fair? Would it not meet with acceptance and favour on the part of the military voters overseas? On the ground of expediting public business, should the minister not accept it? I submit that we should have a better reason than has been given for the minister's declining to accept it. I do not know whether it is neccessary that that

amendment should have a seconder, but if it is, I desire to second it.

Mr. TAYLOR: I do not know that I could give a better reason than that given by the Minister of Justice why the Government should not abdicate its function to the Opposition with respect to the conduct of this election, but I think I can give a very good reason from the military standpoint why the amendment of the member for St. John should not be accepted. These presiding officers and their deputies are to be military electors. The issue before the men in the camps in England and in France will be whether the Parliament of Canada is to send them assistance or is to leave them there unaided, to be destroyed by the enemy.

Mr. GRAHAM: Is that what they are going to place before the soldiers as the issue? The cat is out of the bag.

Mr. TAYLOR: The member for South Renfrew asks: Is that the issue that they are going to place before the soldiers? I answer him that that is the issue that the Liberal party in this Parliament, or such of them as support this policy of obstruction of a measure of aid to the soldiers are placing before them to-night. Such being the issue, I should not like to be one of those stigmatised before his fellows in the trenches as the nominee of the political leader in Canada, who refuses to send him assistance, to protect the interests of that leader in the voting. It appears to me that there is a very special reason why that kind of politics should not be obtruded upon the soldiers at the front. The provision in this Bill providing for the nomination of counting officers is of a very different type. But to go into every camp and to tell the men in those camps: this officer represents those who would help you; this officer represents those who refuse to help you, would, it seems to me, be a most deplorable condition.

Mr. GRAHAM: It would not be true.

Mr. GAUVREAU: Who would do that?

Mr. TAYLOR: Who would do it? Any person who told the truth would do it.

Mr. GRAHAM: Then the returning officers are to be political agents?

Mr. TAYLOR: The hon. member for South Renfrew asks again if the returning officers are to be political agents. I say, God forbid; that is why they should be appointed by the Government of the day and not by one political party or by another political party.

Mr. PUGSLEY: By such a wonderful non-partisan Government.

Mr. TAYLOR: The Government of the day represents the whole of Canada; it speaks for the whole of Canada. As we were told by the member for Halifax just now, the Government of the day—

Mr. DEVLIN: I rise to a point of order. I am here, as a member of this committee, to listen to reasons for or against the acceptance of an amendment to subsection (d) of section 4, and I am not here to listen to abuse of hon. gentlemen on this side of the House.

The CHAIRMAN: The hon. gentleman will have to be more specific if he wishes to make a point of order on which I can rule.

Mr. DEVLIN: I claim that the remarks of my hon. friend are not relevant to the question under discussion.

Mr. TAYLOR: Speaking to the point of order—

The CHAIRMAN: There is no point of order before the Chair.

Mr. TAYLOR: If there is no point of order before the Chair I am quite satisfied, but if there is a point of order I desire to speak to it, and to say that I am not satisfied to sit in this House and have the freedom of debate exercised by critics of this side of the House when we in turn are not expected to reply in kind. There is no one more desirous than I am of keeping strictly to the rules of debate, but if latitude is allowed to any hon. member to depart from the rules, surely any other member who desires to make reply to him should have the same privilege. The events in connection with the voting in the province of British Columbia have no bearing upon any part of this Bill, yet a great part of the time of the House has been taken up to-day by one hon. gentleman after another in relating those occurrences. I wish to say on behalf of the province of British Columbia that that province had very little part in creating the occurrences which have been recited here. As to the recital itself, it is that of a partisan commission representing only one side of the issue before the electors, and representing the political faith of the government appointing it. I have not read their report, and all I have heard of it is what was read to the House to-day by the hon. member for Pictou.

But that had nothing to do with the taking of the soldiers' votes on the political issue as to which, as explained by the hon. member for Vancouver (Mr. Stevens) no fault has been found. What occurred was that when they came to the vote on prohibition, the prohibition party abandoned any attempt at scrutineering, and allowed the other party to complete the vote without any surveillance at all. Is it remarkable that frauds should occur under those circumstances?—circumstances which are not at all contemplated by this Act, and circumstances which have a parallel in the province of Quebec, where a vote was taken on the question of prohibition under precisely similar circumstances. I say this in justice to the province of British Columbia, where, with one solitary exception, we have been entirely free from political voting scandals.

Mr. NESBITT: If any further reason could possibly be needed in support of the amendment of my hon. friend from St. John, the hon. gentleman who has just taken his seat has given it. He has given us an excellent illustration of what may happen in the taking of this vote. I had no idea that such a thing might be done when we were discussing this Bill on former occasions, but the hon. gentleman apparently knows what is intended to be done. He is, however, labouring under a difficulty; he expresses sympathy for the officers who will represent the right hon. leader of the Opposition. He need not worry about that, because I can assure him he will not be asked to be one of them. Nor do I think he need worry about the other officers who may be asked, because I have no doubt they will be just as capable of looking after themselves, and of fighting at the front, as my hon. friend. I would point out to the Minister of Justice that probably only a few presiding officers will be appointed under this Bill, and they will have the right to appoint deputies. For that reason, if for no other, I think an equal number could very well be appointed, and they could then consult together as to the appointment of their deputies, and I have not the slightest doubt that they could easily agree upon the appointment of deputies who would be practically non-partisan; and it is only to avoid partisanship that we want this done. The amendments to paragraphs (a), (b) and (c) seem to me to be perfectly all right. As to the minister's point, that the Government always appoints the deputy returning officers in Canada, his comparison is not on all-fours with this case, because in Canada every candidate has a scrutineer to help him not only in the taking of the vote, but at the counting of the vote. The scrutineer generally knows his business, just as the deputy returning officer does, and is right there to represent his candidate. If I may turn to section 8, subsection 3, I would point out that it says: "Where conditions make it reasonably possible the deputy presiding officer shall give public notice," etc. Subsection 5 says: "The deputy presiding officer may take such vote otherwise than at a formally held poll." I think that if the minister would accept this amendment he would remove to a very great extent the faults we find in this Bill. I do not believe there are many, if any, hon. gentlemen on this side of the House who do not want to see the Bill go through as rapidly as possible, but at the same time they want to see it made as perfect as possible. Nor do I believe that hon. gentlemen opposite, as a general rule anyway, wish to gain any advantage in the taking of this vote. I know a great many of them would never dream of taking such an advantage over hon. gentlemen on this side of the House. For that reason I urge the minister to accept the amendment of my hon. friend from St. John, which I think will cover not only this particular section, but, to a very great extent, section 8 also. If the amendment were accepted I think we should get along much more rapidly

Mr. A. K. MACLEAN: Is not the minister going to accept the amendment?

Mr. DOHERTY: I have already announced that I could not see why I should accept the amendment, although I have been reproached for giving no reason for not accepting it. I wish to speak with perfect respect for the hon. gentlemen who have advanced what they consider to be conclusive reasons for the amendment. Speaking with that respect, I venture to say that I have heard no reason that carries conviction to me that it should be accepted.

Mr. A. K. MACLEAN: Would the minister consider favourably the suggestion that those presiding officers should be appointed by the Governor in Council on the nomination of the officer commanding the Canadian forces, General Sir Arthur Currie? Those presiding officers are to be military electors. I doubt the wisdom of this. The officer commanding the forces, should be in a very good position to judge as to what military electors he could nominate for this

work. The Governor in Council might suggest military electors as returning officers, who might not be able to give sufficient time to the work, because it might interfere with the proper discharge of their usual military duties.

Mr. R. B. BENNETT: It would hardly be fair to General Currie. He has not the time to do it.

Sir GEORGE FOSTER: General Currie has a good deal to do.

Mr. MACDONALD: My hon. friend from Westminster (Mr. J. D. Taylor) wants this House to believe that the evidence I read this afternoon from the report tabled in the Legislature of British Columbia, and which was acted upon by the legislature, is of no value to us in considering this Bill. As was shown by the comment and the data which I read, it was not merely a report of the conclusions or findings of the gentlemen who composed the commission, but contained the evidence given before them, and showed that there was fraudulent voting, and repeated voting, and all kinds of disregard of the ordinary rules which apply in elections. This is a fact which cannot be controverted. The fact that under those conditions and at that time it was possible that a total disregard of the rules and laws which relate to proper voting should exist, is ample justification of the position taken by hon. gentlemen that under this Bill there should be no possibility of these things arising, and that we should place upon this vote such safeguards that everybody in the country should feel that the boys at the front were given a full and fair opportunity to express their views, and that their vote was honestly recorded. Hon. gentlemen have indulged in heroics on the question of who should have a vote under this Bill, but, if we send to the boys a Bill under which they are to voice their opinion, no matter what it may be, and that voice can be perverted by officials on whom there are not these ordinary checks which should be provided in cases of that kind, and if we are to have returning officers who are to be permitted to do what was done under the British Columbia Act, how are we performing our duty to the boys at the front?

Mr. R. B. BENNETT: There were no scrutineers there.

Mr. MACDONALD: I beg my hon. friend's pardon. There were scrutineers. I read the report very fully this afternoon, but my hon. friend was not here. It pointed out in one particular case that such a well-known gentleman as Rev. Dr. Pringle was acting as scrutineer, and that gentleman alleged before the commission that he was not notified of a poll being held in the vicinity where he was, and where he could have attended as a scrutineer. The returning officer knew he was a scrutineer—

Mr. R. B. BENNETT: Then, there was no scrutineer?

Mr. MACDONALD: It was cited as a case of the parties carrying on the election in disregard of the law. They failed to notify a man who had a right to be there.

Mr. R. B. BENNETT: So, there were no scrutineers?

Mr. MACDONALD: There were scrutineers. I read a list of places where the scrutineers had a right to be, but they were not notified, and consequently they were not there.

Mr. R. B. BENNETT: Therefore, there were no scrutineers there?

Mr. MACDONALD: Under this Bill, the same possibilities may arise, and we want to provide against that. We want to see that the parties who are to conduct the election are placed upon the same basis as other officials. I cannot sit down without noticing the remarks of my hon. friend from New Westminster (Mr. J. D. Taylor) which I think were entirely out of order. At this stage, we are not discussing the Military Service Bill. My hon. friend's idea as to what the issues are in this question are very peculiar. Does my hon. friend mean to intimate that gentlemen on this side of the House are not as anxious as he is to give every possible aid to the boys at the front.

Some hon. MEMBERS: No, no.

Mr. MACDONALD: Then all I have to say is that this is a specie of Toryism which, I suppose, we are going to have inflicted throughout this country at the coming election. Hon. gentlemen on this side of the House may differ with regard to methods, just as hon. gentlemen on the other side differ with regard to methods, but none of us in this House, I care not on which side they are, in my judgment differ, in any respect on the point that we must play our part and do everything we can in order to see that every aid possible is given to Great Britain and the Allies. Speaking for myself and hon. gentlemen associated with me, we

resent any such imputation from the gentleman who has made them. Loyalty is not a mere matter of lip-service. Hon. gentlemen may speak as they please upon the subject, but the people of the country, and gentlemen on this side of the House know that in their hearts, and in their deeds and in their acts they are just as loyal to the cause in every way as are any gentlemen who sit opposite.

Mr. SINCLAIR: I do not know that it will serve any purpose to press the minister very much further in regard to this matter, but I would like to submit to him that the proposal made by the hon. member for St. John is an eminently fair one. It is of the utmost importance that both sides be represented in every poll where an election is going on. The system my hon. friend from Halifax spoke of as prevailing in Nova Scotia is not confined to the county of Halifax, but prevails in other counties in the province—the custom is when the returning officer happens to be of one stripe, the clerk is always of the other stripe. That is fair.

Mr. DAVIDSON: Does my hon. friend pretend that is the custom in Nova Scotia?

Mr. SINCLAIR: That is the practice in certain counties in Nova Scotia. If my hon. friend was acquainted with affairs in Nova Scotia, he would agree with me that it is the case. It has been the custom, and the sheriff in such cases has to take care, that if the deputy returning officer is a Conservative, the clerk must be a Liberal, and vice versa. I cannot see why there should be a large number of presiding officers. As I understand this Bill, the duty of the presiding officer is to appoint deputy presiding officers. One presiding officer who is a man in whom every one would have confidence—like the commanding officer of the forces—could appoint all the deputies required on both sides of the Channel, and if we were sure that a man of that character had control of the appointments, then we should feel assured that the matter would be properly dealt with.

But this Bill provides for the appointment of an indefinite number of presiding officers and these are given power ot appoint any number of deputies. We do not know where we are in connection with this Bill. There is no necessity for more than two presiding officers. A poll will be taken in England, I presume. It may be necessary to have an officer in England to appoint the deputy returning officers to act in the different camps in Great Britain. It will be necessary to have a returning officer in France to appoint the deputies to act in the different camps in France. It will not be necessary to have any more, because one man can perform the duty better than half a dozen can. I appeal to the right hon. Minister of Trade and Commerce (Sir George Foster), who is here listening to the debate, and to the hon. the Minister of Railways and Canals (Mr. Cochrane), who is regarded as an eminently fair man, to influence their colleague with regard to the acceptance of this proposal. There is a great deal of discussion in the press and in the country these days about union Government. I understand that many hon. gentlemen opposite favour a Government in which partisanship shall be done away with and in which we shall all pull together in the interest of the great cause that we all profess to have at heart.

Mr. EDWARDS: How do you feel about it?

Mr. SINCLAIR: I would like very much to see it brought about. Here is an opportunity for hon. gentlemen opposite to show their sincerity in regard to this great question of a union Government. If they are really sincere they will want to go a little farther than they have gone in regard to meeting us on this Bill. This presents an opportunity, an opening which should not be disregarded by these hon. gentlemen to show to the country that they are actually sincere on the question of getting together in a union Government. If the Minister of Justice refuses out and out to accept any proposal to amend this section, and to make it what we regard as fair, it will be fair to conclude that the proposal for a united Government in this country has not very much meaning. I hope that will not be proven to be the position and consequently I would like the Minister of Justice to still consider either the proposal of my hon. friend from St. John, or that of my hon. friend from Halifax. I want also to be understood as resenting the statement of the hon. member for New Westminster. It comes with very poor grace from an hon. gentleman who took a junketting trip across the Atlantic at the expense of the people of this country, who never went near the front and who took good care to keep himself out of any danger.

Mr. TAYLOR: Mr. Chairman, I rise to a point of order. I ask that the hon. gentleman (Mr. Sinclair) be directed to withdraw the statement he has made, as being against

the rules of this House. The hon. gentleman has made the statement that I, as an officer in His Majesty's service, took a junketting trip across the continent and the ocean. I desire to have that statement withdrawn. I took no junketting trip.

An hon. MEMBER: Is it not true?

Mr. TAYLOR: It is not true and I wish it to be withdrawn.

The CHAIRMAN: I suppose the hon. member (Mr. Sinclair) will not have any objection to withdrawing the statement, because it casts an imputation on the honour of an hon. member, and therefore should be withdrawn.

Mr. PUGSLEY: What is the imputation in saying that an hon. member took a junketting trip across the Atlantic?

Mr. TAYLOR: My complaint is that the statement is untrue and reflects unworthily on me.

Mr. PUGSLEY: The hon. gentleman did not say that before.

Mr. SINCLAIR: The hon. gentleman will not say that it is untrue that he took a trip across the Atlantic at the expense of the people of the country. If it offends him, I have no objection to striking out the word that he took a "junketting" trip.

Mr. TAYLOR: I appeal to rule 19 of this House.

The CHAIRMAN: Surely the hon. member should withdraw these words. It is an imputation on the conduct of an hon. member who went across the ocean as a soldier, but not at the expense of the people in the sense imputed.

Mr. SINCLAIR: I have already said, out of respect to you, Mr. Chairman, that I am quite willing to drop the word "junketting." That is the only word that I used that might be taken exception to. The rest I would regard as strictly parliamentary, and I think you will agree with me.

Mr. DAVIDSON: I understood the hon. member for Guysborough (Mr. Sinclair) to state that it was the practice in the province of Nova Scotia, under the late Administration, to conduct elections so that where a deputy returning officer was of one political faith the poll clerk was of another political faith. I do not know where, in Nova Scotia, the hon. gentleman ever saw a practice of that kind carried out. But I do know that I have participated in elections in eight different counties in Nova Scotia, and in every single instance I found that probably the strongest party man in the district was appointed deputy returning officer, that the next strongest Liberal partisan was appointed poll clerk, and that even the man who sat at the door and acted as constable to keep order was a conspicuous supporter of the Liberal party. That was in eight different counties in Nova Scotia, and I have yet to find a county where any such fair and just policy as that described by the hon. gentleman has been carried out. My hon. friend referred to the fact that in the discussion of this matter we should have in mind the agitations that are going on at the present time for a union government. I think he made an improper application of his argument. I hope that the Liberal party in this country are loyal and patriotic enough as a class to consent to the generous proposition made by the Prime Minister, and I hope and trust that a union government will be formed, a government which will represent both the Liberal-Conservative party and the Liberal party. If that is so—

Some hon. MEMBERS: Order, order.

Mr. DAVIDSON: What is the objection?

Mr. C. A. WILSON: Union Government has failed to-day.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Chair.

Mr. DAVIDSON: If hon. gentlemen opposite will express themselves—

Some hon. MEMBERS: Chair, chair.

The CHAIRMAN: The argument of the hon. gentleman (Mr. Davidson) must have some relation to the clause under discussion.

Mr. DAVIDSON: I think my point is very much in order, and that I shall be able to make myself clear even to the somewhat befuddled intellects of hon. gentlemen opposite. When this Act goes into force it will go into force, as I hope, under a union government, under a government of Conservatives and Liberals alike; it will be a union government that will appoint these officers and consequently the officers they will appoint will be people who will be in a position to represent both the Liberal and Conservative parties. I think that is a cogent and a relevant argument.

The hon. member for Pictou (Mr. Macdonald) used the argument for the emasculation of this Bill that some soldiers in a

British Columbia regiment which had gone overseas had voted improperly in connection with a certain referendum held for that province. He quoted from a newspaper report to prove his assertion that because members of regiments who were from points outside of British Columbia had voted in that election who had no right to vote, under another law altogether, that was a reason for emasculating and changing the Bill now before the House. I could not follow him, and I wish to point out to him that if he holds that principle it will be a very dangerous principle and very hard to maintain. Only a few months ago one read in the papers that an election had been conducted in Vancouver in a most disgraceful manner, and that aliens and persons with no residence in this country had been brought in to vote for a certain gentleman named Macdonald who had been Attorney General or afterwards became so in the province of British Columbia.

Some hon. MEMBERS: Order, order.

The CHAIRMAN: Order.

Sir GEORGE FOSTER: At least I think that you should allow my hon. friend to point his argument, to make the conclusion, which is the conclusive way of showing whether or not an argument is out of order.

Mr. GRAHAM: Make his speech and then be called to order?

Mr. CHAIRMAN: That is what I was going to ask the hon. member, to make his argument, because I did not know where he was going.

Mr. DAVIDSON: Thank you, Mr. Chairman, I sometimes take a devious road, but I always reach my point. My argument is that the hon. gentleman claims that because certain irregularities took place in that election we should tear up this Bill. I say that because irregularities existed in an election that resulted in the election of Mr. Macdonald in Vancouver, that would be no argument for tearing up the law of British Columbia—and I think he will admit that, because only a few months ago he was in Vancouver and at a banquet tendered to this same Mr. Macdonald he said he was proud of him as a Macdonald.

Some hon. MEMBERS: Order, order.

Mr. DAVIDSON: He said more than that,—that he was—

Some hon. MEMBERS: Order, order.

Mr. DAVIDSON:—that—he was just the kind of man they wanted in Ottawa and he invited the people of Vancouver to send that man to Ottawa as their member. As a matter of fact, only a few months later it was found necessary because of revelations made to retire Mr. Macdonald from the Government of British Columbia—

Some hon. MEMBERS: Order, order.

Mr. DAVIDSON: I say with all possible emphasis that the mere fact of fraud being committed in a certain vote taken among soldiers is no reason to deprive the soldiers of their franchise, is no reason for emasculating an entirely different Bill. Down in Nova Scotia there are sometimes irregularities in connection with elections. I have known of irregularities in connection with the revision of the voters' lists. I have known members prominent in professional life in Nova Scotia to conduct most disreputable affairs in connection with these elections, but that is no argument for tearing up the Franchise Act of Nova Scotia. I think there is very little in the argument of my hon. friend.

The CHAIRMAN: Before I put the amendment to the committee, I think it is proper by the rules of the House to dispose of clause (c). Shall clause (c) be adopted?

Mr. GRAHAM: If the committee, by the consent of the minister, leaves a section over, you can pass any other section in the Bill. If the minister insisted that he would not take up (d) until (c) is disposed of, your point of order might be well taken. But, as a matter of fact, any clause may be left over by consent of the committee.

Mr. CHAIRMAN: The three subsections are before the committee. Rule 55 says:

> In proceedings in Committee of the Whole House upon Bills the preamble is first postponed and then every clause considered in the proper order.

The proper order is to take (c) before (d), unless (c) stands.

Mr. PUGSLEY: The rule that you are reading does not apply to subdivisions of sections, but only to sections. This is a subclause, a paragraph, which with the consent of the minister, we passed over, and went away down and passed subsections 2, 3 and 4. Now we go back. We are proceeding backwards, and we have a right to take (d) or (c) or the whole thing together. The only possible question is on (d).

The CHAIRMAN: Bourinot goes so far as to say that amendments must be made

in the order of the lines of a clause. He goes as far as that.

Mr. PUGSLEY: He does not say the lines of a subclause.

The CHAIRMAN: If we should now amend clause (d) we could not amend clause (c) unless the clause stands.

Mr. PUGSLEY: Clause (c) has been standing for some time.

Mr. DOHERTY: Clause (c) may be made to stand. I would point out that, at the special instance of the hon. member for St. John, we came back to (c) and (d) and (e), and he expressly declined to allow us to deal with (c) as a separate thing by itself, insisting that they should both be before the committee together. Therefore it comes that they are both before the committee together, and the rule seems clearly applicable.

Mr. PUGSLEY: Is my suggestion not right that the three clauses are not before the committee, and I have moved an amendment to subclause (d) and the vote on the amendment is taken first.

Mr. DOHERTY: I suppose it is better to progress backwards than not to progress at all.

Mr. NESBITT: The question is on the amendment.

Amendment Mr. Pugsley negatived.—Yeas 43, nays 48.

On section 5—Ballots and custody.

Some hon. MEMBERS: Carried.

Mr. PUGSLEY: Who said carried? Just give us a little chance to discuss this section. This Bill forms the object of very important state papers referred to in the correspondence between the Prime Minister (Sir Robert Borden) and the ex-Minister of Public Works (Mr. Rogers) in that very able campaign correspondence which has been submitted for the information of the country, particularly the letter of the Prime Minister. Therefore, we should not be blamed for taking a little bit of time.

Sir GEORGE FOSTER: Cut out the introduction.

Mr. CROTHERS: Get down to work.

Mr. PUGSLEY: If the minister would keep quiet we should get on more rapidly. The remarks of the minister encourage the other fellows. The hon. gentleman from Annapolis spoke at great length, and obstructed the passage of this Bill.

[The Chairman.]

Mr. DAVIDSON: I did not take half as much time as my hon. friend from St. John.

Mr. CURRIE: The talk of the hon. member for St. John (Mr. Pugsley) will cost the country a quarter of a million dollars.

Mr. PUGSLEY: I call the attention of my hon. friend to the fact that the form of ballot paper which is referred to in this section, is not the proper form, in my opinion. It is calculated to convey to the voter the idea that he may select a person for whom he wishes to vote, even although that person may not be regularly nominated. He might have anticipated that that person would be nominated. I think there should be instructions which would show to the voter that if he chooses to vote for an individual, instead of voting for the party —the Government, or Opposition, or independent party—that his ballot will not be counted. Form (a) of the Bill is defective in other respects. It says:

> The voter to make an X within the white space containing the name of the party for which he intends to vote, or if the voter desires to vote for any particular person, the voter shall write the name of such person in the first space.

That should be changed to read "Any particular candidate or candidates," because there are constituencies in Canada where two members are selected—for instance, the city and county of St. John, Ottawa and the city and county of Halifax.

Mr. DOHERTY: I am quite satisfied to make that amendment.

Mr. PUGSLEY: It is provided by this section that the ballot papers shall be delivered by the Clerk of the Crown in Chancery to the officers in command of any troops in Bermuda. Does that mean that the Clerk of the Crown in Chancery must go to Bermuda and deliver the ballots? I should think they could be transmitted to Bermuda by registered letter, without going to the expense of sending to Bermuda.

Mr. DOHERTY: I thought it was so obvious that the ballots would be sent there by registered letter that no explanation was necessary.

Mr. PUGSLEY: I would scarcely have thought the language was intended to mean the Clerk of the Crown must go there personally. I think I have examined other parts of the Bill sufficiently to enable me to state that there is no provision for keeping count of the ballots which are printed.

They should be official ballots. As I understand, the officer in England can have as many ballots struck off as he pleases. There is no limitation. I think it is only a reasonable precaution that there should be a certain number of official ballots, and all the ballots which are handed to the presiding officers should be accounted for. There would be a certain number used, so many ballots returned, and so many ballots spoiled. Any of those official ballots which have not been used should be returned to the proper officers at Ottawa. There is no provision in regard to that. This measure only provides for the commanding officer making returns of ballots, but there is no check on the ballot papers which are issued by the officer in London, or by the officer in Ottawa. It seems to me there should be a careful check upon those ballot papers, so that the number of ballots left on hand would be known, and would be a safeguard against duplication of ballots and against ballots being printed by others than those who are officially authorized to print them.

Mr. CURRIE: I think my hon. friend will find that his objection is met in section 13.

Mr. C. A. WILSON: Will the Minister of Justice explain what countries are included in the designation: "In any other place without Canada but in North America"?

Mr. DOHERTY: That would cover the entire continent with the exception of Canada.

Mr. SINCLAIR: What are the places included?

Mr. DOHERTY: There are soldiers in Bermuda; some of our boys are serving in the patrol motor boat service, the headquarters of which are at Trinidad, and there are soldiers at St. Lucia. This provision applies only to those places where commanding officers are in charge of troops. Under the last Act we would have been subject to embarrassment because we mentioned Bermuda specifically, and it afterwards happened that some of our soldiers —not a very large number, it is true—were at St. Lucia.

Mr. A. K. MACLEAN: Is St. Lucia in North America?

Mr. DOHERTY: I understand it to be. It is not on the mainland, of course, but I understand that the term "North America" would include the adjacent islands.

Mr. A. K. MACLEAN: St. Lucia is not adjacent to the continent.

Mr. DOHERTY: It is in North America to the same extent that Great Britain is in Europe. Any geography would include these islands in North America.

Mr. A. K. MACLEAN: There were only 15 or 20 men in St. Lucia.

Mr. PUGSLEY: The member for North Simcoe (Mr. Currie) said that section 13 would cover the point that I made with reference to the ballots. I have read the section, and I find that my hon. friend is entirely mistaken. It relates to a different matter altogether.

Mr. CURRIE: The section reads:

> Notwithstanding anything contained in Part III, every returning officer appointed and acting under that Part in respect of an electoral district wherein a poll is held, as soon as he has made the final addition of the votes polled pursuant to that Part, shall, without declaring any candidate elected and without making the return required by section two hundred and eleven of that Part, make, sign and seal a certificate stating the number of votes given for each candidate, as determined by such final addition, and the report required by section two hundred and thirteen of Part III, and transmit to the general returning officer the writ of election together with such certificate and report, the stamp furnished him for stamping the ballot papers, and all the ballot papers, including those unused, the original statements of the several deputy returning officers, the lists of voters, the poll books used in the several polling divisions, and all other lists and documents furnished for the election, or which have been transmitted to him by the deputy returning officers.

The Clerk of the Crown in Chancery sends a certain number of ballots to the returning officer, as in an ordinary election, and ultimately gets them back.

Mr. PUGSLEY: My hon. friend will pardon me; section 13 deals entirely with an election held under part 3, which is a provision of the Dominion Elections Act.

Mr. CURRIE: All the Dominion Elections Act applies to this. Where this Act does not apply, the other does.

Mr. A. K. MACLEAN: This section provides, in the form of the schedule, the kind of ballot to be used in this section. The ballot makes provision for the military elector casting a vote for the Government, for the Opposition or for an independent candidate. This is a designation of party upon the ballot which has never existed in any British country in theory or in practice. On that ground I must express regret that the minister has seen fit to adopt that form of ballot. Things may happen before the next election takes place which would make it difficult to determine the exact position

of some candidates in the party
10 p.m. sense. The member for Annapolis (Mr. Davidson) expressed his hope for the organization of a union Government. If that hope should be fulfilled, there would be a temporary obliteration of party lines in this country, at least to some extent. It would not be binding, however, upon the member for North Simcoe (Mr. Currie) or upon any other person. The member for St. Antoine (Sir Herbert Ames) says that even in that event there would be an Opposition. Well, if a union Government were organized it would take some time for an Opposition to evolve. They might not have sufficient time prior to polling day to become a political organization in the sense in which the Liberal party to-day is an Opposition party. Many other things might happen to make a ballot of this kind impracticable and unfair. My view is that the ballot should contain the name of the candidates; no matter what happens, that is the fair thing. It is fair to everybody. The hon. member for St. Antoine shakes his head. What is his objection?

Sir HERBERT AMES: If you will look through the service roll of any battalion overseas, you will find the battalion is made up of men from probably fifty different points in Canada. If that battalion is at a certain point in France near the front, do you mean to tell me that you can supply the men with a complete set of ballots for every candidate in Canada?

Mr. A. K. MACLEAN: Is that the only objection?

Sir HERBERT AMES: That is one which it seems to me is sufficient in itself.

Mr. A. K. MACLEAN: That is one that would strike the mind of any one at first, but I do not think it is insuperable. It is one that could be met very easily. There are 234 members to be elected to the next House of Commons; that would mean probably 470 candidates. The Bill provides that there shall be four weeks, or twenty-eight days, between nomination day and polling day. Now a cable of less than three thousand words would transmit to the Assistant Clerk of the Crown in Chancery the name of every candidate nominated in Canada. The cable might be repeated back in order to insure strict accuracy. The two cables could be sent in less than six thousand words. So the cost would not be an objection. The ballot papers could be in the hands of the proper officer in London, let us say, before nomination day here, and the day following the receipt of the cable advising that officer of the names of all the candidates nominated in Canada and their constituencies, all that information could be printed on the ballot papers, or within forty-eight hours at the most. I do not see any objection whatever against printing the names of the candidates in each constituency upon the ballot papers. I think it is the fairest thing to do.

Mr. EDWARDS: Let us suppose there are three candidates, Smith, Jones and Brown, in a particular constituency. Does the hon. member suggest that we should also print on the ballot paper that Smith was for the Government, Jones for the Opposition, and Brown independent?

Mr. A. K. MACLEAN: I did not intend any party designation of candidates whatever.

Mr. EDWARDS: Then you would be up against a very serious difficulty, because the soldier would in many cases not know whether Brown or Smith was for or against the Government, and he would have to vote blind.

Mr. A. K. MACLEAN: That is true to some extent, but even then it would be a more intelligent vote than where the ballots are simply marked for the Government or for the Opposition, particularly in cases where the man is not able to indicate an electoral district, when the Prime Minister or the leader of the Opposition really names the candidates voted for.

Mr. CURRIE: Let us suppose there are four hundred candidates. Now there might be four or five hundred men in a battalion who would wish to vote in some electoral district. In order to insure there being a sufficient number of ballot papers you would have to put two hundred thousand papers, —four hundred multiplied by at least five hundred—in the hands of each deputy returning officer. I want to see the soldiers vote properly, and if the hon. member can suggest any better method I should be willing to support him.

Mr. A. K. MACLEAN: My hon. friend has suggested a difficulty, but I do not think the difficulty is insuperable. In many cases you will find several battalions belonging to one province close together, and then there would be very little difficulty such as my hon. friend suggests. Take my own case, for instance, as an illustration of how this proposal might work a hardship. The hon. member for New

Westminster said a few moments ago that conscription would be the issue with the military elector. Assume that I am a candidate in the next election, which is possible. In my constituency there will be four candidates. The Prime Minister will be one, in support of the Conscription Bill. I also supported the Bill. Now in that case it would be almost impossible for any military elector from the constituency of Halifax to vote, if the only consideration was the attitude of the Prime Minister and myself upon the Conscription Bill, and that attitude were judged merely by the vote in the House. That one illustration alone raises a very difficult question, and I submit that this form of ballot hardly meets the situation. In the province of New Brunswick they have a form of ballot which perhaps might be used here. The official envelope is provided by the Government, and the ballot is enclosed in it after being marked by the elector. The candidates in a provincial election in New Brunswick prepare their own ballot, having their own names printed on them if they like, or they can supply the voter with a blank piece of paper and he can write on it the name of the candidate for whom he desires to vote. The protection is in the envelope. The procedure in New Brunswick might possibly be useful in considering this matter. I do not like the idea of giving statutory recognition of party in a ballot. We have never done it in this country, nor has it been done in any other part of the British Empire. In theory there is no such thing as party in our constitution. It may be true, as the hon. member for North Simcoe (Mr. Currie) suggests, that there will be difficulty in the way of printing the names of the candidates. I admit that it may be difficult to meet some of the objections which could be raised against my own suggestion, but I think upon the whole it will be less objectionable than that proposed in the ballot form in the schedule. I do not think there is any difficulty in having the ballot bearing the names of the candidates nominated in each constituency put before the military electors. By the use of the cable the names of these candidates could be in Great Britain and in Europe 25 or 27 days before polling day; then in all the camps, the hospitals and other places where our forces are assembled, the names of the different candidates in each constituency can be printed in the usual manner, and within a period of two or three weeks the military electors will become acquainted with the name of each candidate. In the British Columbia elections there was a polling held at Halifax. There was an official ballot, but the names of the candidates were not printed upon it. I had something to do with that polling on behalf of the Lib ral candidates in British Columbia. The Government did not even furnish the men with the names of the candidates on either side. Those names were supplied to the voters at Halifax by friends of both parties in British Columbia. I remember in the city of Vancouver there was quite a number of candidates on both sides, and it was found that most of the soldiers voting knew hardly any of them. A good many of the soldiers knew Mr. Bowser's name, because he had been so long before the public of British Columbia, but it was almost the only name upon the ballot that was known to the soldier voters who had to vote in the city of Vancouver. If you have the ballot printed with the name of the candidate upon it, and have the usual notices posted at the camps, gradually the electors will become acquainted with the names of the candidates in the district which they are likely to designate as their electoral district. I submit that this form of ballot should be changed, and that we should endeavour to have the names of the candidates printed on the ballot.

Mr. ARTHURS: I listened with some amusement to the hon. member for Halifax working out in his own mind an absolutely unworkable scheme. There is no question about it that a ballot could not be prepared or used in the manner indicated by my hon. friend, particularly in France. There is with each battalion on an average of about one thousand men. Even presuming that the majority of these men are from one constituency, yet a deputy presiding officer would have to carry anywhere from 200,000 to 400,000 ballots in order to be sure he would have a ballot available for a man from any constituency. Many battalions in Canada went over in the first place from one constituency. These battalions have been broken up and the men scattered around among other battalions from the Atlantic to the Pacific. Men have been wounded, have gone back to England, and when they recovered and were sent back to France again they did not return to their original battalions. Then we have corps like the engineers, raised from the Atlantic to the Pacific. You will find in one small company of engineers, consisting of 700 or 800 men, men from almost every constituency in the country.

Another consideration is this—as has been pointed out by the hon. gentleman himself—the men would be unacquainted with a great many of the candidates. There is also another point. The men at the front do not know, in many cases, what constituency they belong to. We had a revision of the constituencies in this country, and there are men over there now who have no idea as to what constituency they belong to. It is absolutely necessary to get the information from the man himself in some way, perhaps not exactly in the form we have it on the back of this ballot, but the information must be obtained from the man as to the locality from which he comes, so that his vote may be properly allocated to that constituency. The junior member for Halifax (Mr. A. K. Maclean) says they will have 27 days to prepare those papers and the ballots, but he must remember that part of those 27 days will be taken up by the voting. Some of the men must vote before the expiration of the last week. Some of the men must vote before they go to the trenches, and others after they come out.

Mr. C. A. WILSON: The same thing happens here. There are many people who cannot vote here.

Mr. ARTHURS: That is no reason why the soldiers should not vote. We want to make this Act so that the soldier can vote.

Mr. LOGGIE: I would like to draw attention to the fact that there is a great likelihood of spoiled ballots because of writing in the name. In the province of New Brunswick we have a ballot on which either the names are printed or the voter may write in the name of the candidate for whom he wishes to vote. Because of this conflict between the local ballot and the federal ballot, a great many ballots are spoiled.

It is not an unusual occurrence to find a cross put in front of some of the names, thus spoiling the ballot. One danger, I think, would be to allow the voter to write the name of the candidate he wishes to vote for, unless he had something to guide him. He would likely think that was sufficient, whereas, as I understand it, the ballot would be spoiled unless there was a cross after the name.

Mr. DOHERTY: Not in this proposed ballot. If the voter simply writes in the space "I vote for Mr. Loggie" that will be a vote for my hon. friend, without any cross, or anything being added to it.

[Mr. Arthurs.]

Mr. LOGGIE: But, if in addition to that he puts a cross at the end of it, would that spoil the ballot?

Mr. DOHERTY: No.

Mr. LOGGIE: That covers the difficulty I had in mind on that score. Another question which presented itself to my mind was the question of the independent candidate. I see that is qualified under another section, rather along the lines that there should not be more than three condidates, namely, a Government candidate, an Opposition candidate, and an Independent candidate. I can conceive of cases where there might possibly be two Independent candidates.

Mr. GRAHAM: I think there are five in one Ontario constituency now.

Mr. LOGGIE: There may be an Independent Liberal candidate.

An hon. MEMBER: Impossible!

Mr. LOGGIE: Or there might be an Independent Conservative candidate. I simply draw the attention of the minister to the ballot in New Brunswick, where voting in local elections was entirely different from that in federal elections, and we found a great many ballots spoiled because of that. It is very desirable that it should be made clear to the voters, so that the same thing would not happen in this case.

Mr. DOHERTY: I wish to say a word in reference to the remarks of the hon. member for Halifax (Mr. Maclean). In the first place the hon. member observed that such a form of ballot had never been used in any British country. I hold in my hand the form of ballot used in the Australian election that is on all fours with ours.

Mr. A. K. MACLEAN: I know, but I said that no such ballot had been used in ordinary times.

Mr. DOHERTY: Well, we are in extraordinary times. It seems to me that the ballot we propose has all the advantages which the hon. gentleman was claiming for the ordinary ballot, and has in addition the advantage of enabling men, of whom there may be many, who do not know the candidates, and who do not connect them either with the Government or the Opposition, to express their opinion whether for the Government or for the Opposition, while at the same time it does not take away from them the privilege of voting for individual candidates if they desire to do so. When we come to the other provisions of the Bill

my hon. friend will find that there is a special provision for taking all the steps that we could think of to enable the soldier to become aware of who the candidates are. If we are successful in conveying that information to the soldier, and as a result of that information he wishes to vote for an individual candidate of whom he knows, he can do it with this ballot.

Mr. DEVLIN: Does not that only apply to the case of Bermuda and other places outside of Canada but in North America?

Mr. DOHERTY: No, we have made provision for the sending of information with regard to the nomination of candidates to the other side as well as to Bermuda and other places, and we have also provided that the special officers over there shall take means of spreading this information. While we have tried to take every step possible to get the information to the soldier, we cannot, of course, count that every soldier will get the information, nor even that, if every soldier gets the information that John Jones and Peter Brown are nominated in his constituency, he will know what John Jones and Peter Brown represent. To the extent that we get the information to the man, if he had the ballot in the form which the hon. member for Halifax suggests, he would be in a position to use it. Then we hand him a ballot by which he can do identically the same thing, that is, write in the name of the man for whom he wants to vote. If he should happen not to have that information, then we present him with a ballot which leaves him in a position to vote for his preference for the Government candidate, or the Opposition candidate, or the Independent candidate. By handing out this ballot we do not deprive a man who is in a position to do it by reason of the knowledge which he possesses of the opportunity of voting for the individual candidate. But we make it possible for every man to exercise his franchise to the extent of voting for the Government, or the Opposition, or the Independent candidate. Then, as has been pointed out by my hon. friend from Frontenac (Mr. Edwards), if a man who gets a ballot with nothing on it but the names of the candidates, may or may not know what it is that these men stand for, he may or may not know anything about them and he may have no personal preference in regard to them. That man with the ballot advocated by the hon. member for Halifax would be called upon to vote in the dark, whereas with the ballot we offer him, if his reasons are personal, then he may vote for the candidate whom he favours. If his reasons are not personal, and he desires to support the Government, or the Opposition, or an Independent representative, he still has an opportunity of recording his vote in accordance with his own opinion. We take nothing from the man by giving him this ballot instead of giving him the ordinary printed ballot, but we do afford an opportunity to him, should he be in a position where the ordinary ballot would not be useful to him, to still record his vote in the manner we have provided for. What has been stated by hon. gentlemen who speak with practical experience of conditions over on the other side is conclusive as to the feasibility of carrying out the other plan. In the preparation of the Bill we gave serious thought to the question whether four weeks would be long enough to afford an opportunity to gather in the votes, and if we have to lose eight or ten days in getting these distributed to the proper officers, it will take a very long time. On the other hand, as has been pointed out, if the presiding officer has to go out equipped to take the votes in any possible constituency he will have to carry a tremendous number of ballots. Then, if there were not this practical objection, what I said at the outset is a conclusive proof that a man loses no advantage by this system of ballots. If he is in the possession of knowledge that enables him to vote for an individual candidate, he can do it, and if he is not in that position he may still vote by reason of the form of this ballot.

Mr. A. K. MACLEAN: This form ought to have the word "candidate" after the words "Government" and "Opposition." "I vote for the Government" is rather a meaningless phrase. We should put in "I vote for the Government candidate" or "I vote for the Opposition candidate."

Mr. DOHERTY: We might add the word "candidate."

Mr. A. K. MACLEAN: You have at the bottom this form of ballot: "I vote for the Independent candidate."

Mr. DOHERTY: Yes, because we could hardly describe the Independent candidate without using the words "Independent candidate." The Australian ballot says "Ministerial" and "Opposition" and the voter records his vote by putting a cross opposite the word "Ministerial" or "Opposition."

Mr. MURPHY: Or writing in the name of any other person.

Mr. DOHERTY: Or writing in the name of any other person. The printing of the additional word "candidate" will involve the use of the word "candidate" or "candidates." I do not see what is gained by that additional printing because we have a provision in the Act for determining to whom the votes that are given for the Government and for the Opposition shall be applied. We get no further by the use of the word "candidate" being printed on the ballot inasmuch as the provision of the Act is that a ballot marked "I vote for the Government" is counted for the Government candidate or candidates and a ballot marked "I vote for the Opposition" is counted for the Opposition candidate or candidates.

Mr. GERMAN: Supposing there are more than two candidates in the field; that in certain constituencies there are four candidates, two to be elected. A man wants to vote for one of those who is a Government candidate and for another who is an Opposition candidate. Can he mark his ballot as voting for the Government and also mark it as voting for the Opposition, or write in the name of any other man? How is he to record his vote?

Mr. DOHERTY: Such a man would know the candidates and would be able to write in the names of those for whom he wished to vote.

Mr. SINCLAIR: In the Australian ballot that is all provided for; the number of candidates is mentioned and there is a space for the two names where there are more than two candidates.

Mr. DOHERTY: There is plenty of space to write in two names on our ballots.

Mr. GERMAN: Suppose a man voting for Halifax marked his ballot "I vote for Maclean," and on the same ballot voted for the Government candidate, would such a ballot be counted or be defective?

Mr. DOHERTY: Of course there may be combinations of circumstances where the man will not be able to record his vote just as he wishes, but I should like to dispose of one thing at a time. I should be disposed to believe that if there was a constituency where a man was entitled to two distinct votes there would be no difficulty in taking his vote.

Mr. GERMAN: I had the city of Halifax in mind and there might be two Government candidates. How would he indicate the Government candidate for whom he wished to vote?

Mr. DOHERTY: He would write in the name of the Government candidate for whom he wished to vote. I cannot conceive of a man having a personal preference for people whose names he does not know.

Mr. GRAHAM: Will these instructions be circulated among the soldiers?

Mr. DOHERTY: Yes, instructions similar to those for elections generally.

Mr. SINCLAIR: Will the minister say definitely whether the ordinary Elections Act applies to the taking of this vote? There are many precautions in reference to the ballot paper itself in the General Elections Act, such as paper of a prescribed weight, which is furnished by the King's Printer, and then the man who prints the vote fyles an affidavit describing the paper and giving the number of ballots supplied, and stating that no other ballot papers have been supplied by him to any one else. These are very important and necessary precautions.

Mr. DOHERTY: I do not think these provisions apply, and I do not think it would be possible to make them apply. The King's Printer could not furnish the paper on which ballots are to be printed on the other side of the ocean, partly owing to the difficulty of securing transportation, and partly owing to the danger of the ballots being lost in transit. The ballots are to be provided by the acting clerk of the Crown in Chancery in England. The other provisions that have to do with the printing of the ballot in the different constituencies by the returning officers could not be made applicable to the ballots that are to be printed for the use of 400,000 or 500,000 electors overseas.

I think that we can trust the acting Clerk of the Crown in Chancery to take such precautions as may be possible to control the ballots, but under the system provided here it would not be a great evil if some ballots that were not originally printed got into circulation. No ballot will be counted in this election unless it reaches the commissioner's office in France, or the commissioner's office in London, enclosed in a properly sealed up receptacle or box—the word " bag " makes some people nervous, so I would not like to mention it—and marked on the outside as military votes, containing in the interior all the papers

used in the election, with the number of envelopes contained in it set forth and signed and certified by the military officer who is, at the same time, the deputy presiding officer, and every one of these ballots in an envelope containing the description of the man that voted. Really I do not think there is any great danger to be apprehended, supposing somebody managed to get hold of the ballots in the form provided here. The precautions that are both possible and desirable, when you are dealing with the printing of ballots which are being printed in the constituencies all over Canada, not under one general control or direction, but by different printers scattered all over the country, may have their reason for existence, and may be useful, and, perhaps, even necessary, but I do not think they are practicable in an election of this kind, and I do not think there is any serious danger to be apprehended by reason of the fact that they are not to be used under this Bill. We have to depart from some things that may be very useful in their way, if we are going to get the soldiers' vote. There is no substantial danger attendant upon the fact that the ballots are not being printed in that way. This question of precautions with regard to ballots was very thoroughly threshed out at the time we passed the Act of 1915, and it was not then found necessary to surround the printing of those ballots with all the formalities that are indicated in that section, and the present section reproduced that law with the distinction that I have pointed out, that as regards the overseas vote, the ballots shall not be sent from here by the Clerk of the Crown in Chancery, but shall be provided over there by the assistant Clerk of the Crown in Chancery.

Mr. LEMIEUX: I suppose that by the regulations which are provided for in the Act the officers on the other side will have ballot papers about the same as we have them here?

Mr. DOHERTY: Yes, by the regulation we will try to make provision for every detail we can properly control to make the ballot paper as effective a thing as it can be made. Those regulations will all be published, and everybody will know what they are.

Sir HERBERT AMES: I think it would be preferable to make a change in the arrangement of the order on the ballot. The great bulk of the voters will vote either for the Government or for the Opposition. The voters will commence at the top, and read down, and I think it would lead to confusion if the first thing they see is a blank for an individual. They would be very likely, if they knew his special candidate, to write his name in there, and then go further down and mark the ballot for the Government or the Opposition. The proper way would be to have first, Government, then Opposition and then Independent candidate, and if a voter does not vote for one of the three, he comes to the foot of the ballot, and writes in the name of the candidate. The number who write in the name will be small, because 95 per cent will vote for Government, Opposition or Independent candidate. I think there would be less likelihood of mistakes, if the ballots were prepared in that way. The Australian ballot reads in this way: first Government, then Opposition, and at the foot there is a line, and if you do not wish to vote for the Ministerial or Opposition candidate, you can write on the line the name of the man you want to vote for.

Mr. SINCLAIR: I think the Australian ballot is an improvement on the ballot in the draft Bill. The point I wished to make was not that I anticipated any trouble from the Clerk of the Crown in Chancery in England, but the difficulty to my mind is in regard to the printer. If some London printer prints those ballots, there can be no reason why the same rule should not apply to that printer as applies to the Canadian printer. All he has to do is to make a short affidavit, stating the number of ballots he has printed, and that he has not printed any ballots for any one except the Clerk of the Crown in Chancery or the officer to whom they are to be delivered. That is a proper precaution to be taken, and there is no difficulty in the way of taking it.

Mr. DOHERTY: I shall look into the question. If that is applicable it will be made to apply, but as I pointed out, it is a provision about the printing of ballots which is being done for returning officers scattered all over the country. There may be necessity for a greater minutial of detailed instructions to those gentlemen, as to what they are to do, than is perhaps necessary when we are dealing with the printing operations which are going to be entrusted to the Clerk of the Crown in Chancery to look after, and if I could really see the substantial danger to be apprehended because the printer did not make the affidavit that he did not give some of

these ballots to somebody else, I would be glad to make that provision.

Mr. SINCLAIR: He might print too many.

Mr. DOHERTY: Supposing the awful thing happened, and he printed too many, what harm would be done?

Mr. SINCLAIR: I will tell the hon. gentleman in a minute. It is a great advantage to a man who is intending to be fraudulent in an election to have possession of ballots, because he can distribute them to voters, and can mark them, and when the voter goes into the compartment he has a marked ballot in his pocket; he can change it for the ballot handed him, and all kinds of fraud can be performed by having a supply of printed ballots. The minister does not require me to tell him that, because it is one of the difficulties we meet in conducting an election. This precaution in regard to the printer was taken to avoid anything of that kind. It is a proper precaution, and I think the minister ought to adopt it.

Mr. DOHERTY: Whether it may be better or worse, the hon. gentleman is talking of a system which is not the system under this part of the Act. Under this section of the Act, as was the case under the Soldiers' Vote Act which is now in force, the provision for protection against that sort of thing is that the elector has to mark his ballot, not in a secret compartment, but where the presiding officer can see that the voter is marking the paper he gave him, but not seeing how he is marking it. This section is already the law, and when we come to deal with it, if we have to go over it again, I shall be glad to explain why it is necessary.

If we try to put minute details in an Act of this kind we may defeat our purpose, because under conditions that exist on the other side it may not be possible to meet some of the detail that we have insisted upon. We asked the officer who had been connected with the framing of the Act in Australia for advice as to how to make this Act effective. He made certain suggestions, but the thing that he insisted upon chiefly was that the law be not made rigid. He said: You have to make it as elastic as possible, consistently with the taking of the necessary precautions. If I thought that there was any substantial danger I might be disposed to make provision for the submission of an affidavit in the matter, but that does not strike me as being necessary.

[Mr. Doherty.]

Mr. MORPHY: The Minister of Justice seems to have such a clear grasp of the conditions of this Bill that I rise with a good deal of diffidence even to offer a suggestion. I notice that in this ballot there are columns 1, 2, 3 and 4, and that No. 4 contains the words: "I vote for the independent candidate." But there may be three or four independent candidates. There might be a Socialist candidate, a candidate representing the grain growers, or a candidate representing the labour interests. The Australian ballot has the clause: "I vote for the independent candidate whose name is written below." In some of the large centres—Montreal, Toronto or Hamilton, and other cities—there might be three or four independent candidates. It seems to me that the Bill is incomplete in not providing that the name of the particular candidate may be indicated.

Mr. DOHERTY: The Australian ballot could be utilized only in the way indicated if the voter knew the name of the independent candidate whom he wanted to vote for. Under our ballot, if he knows the name of the candidate for whom he wishes to vote, he has only to write the name in. According to the Australian plan the voter states two things: first, that he wants to vote for the independent candidate, and, second, that he wants to vote for John Smith. Under our legislation, he will simply say: I want to vote for John Smith —and the result will be absolutely the same in either case. There may be difficulty if you have two or three independent candidates and the voter does not know whom to vote for, but when he knows the name, there will be no difficulty under our ballot. I confess that I do not quite know how we can provide the means by which a man can vote, no matter what may be his degree of ignorance in regard to the conditions prevailing. The best we can do is to provide the means for the men to vote under circumstances which may reasonably arise. There may be exceptional instances in which a man, by reason of his lack of knowledge or the lack of completeness of this ballot form, will not be able to find a method of expressing exactly what he wants. I think, however, that we get as near exactitude as we can get—certainly as near as the Australian ballot does get in this particular.

11 p.m.

Mr. MACDONALD: This is one of the most important sections of the Bill and I am sure that every hon. gentleman, without party feeling, would like to see it left

in the best possible form. Many of the difficulties that have been suggested as to knowledge on the part of the soldier with regard to how he should vote would be done away with by providing that the lists of the candidates, which, it was suggested, should be cabled over, should be printed and posted within the lines of each battalion. In the camps in England each battalion has certain grounds set out for itself, and almost invariably at the adjutant's tent there are billboards upon which various notices of interest to the men are posted. When the names of the candidates are cabled over to the proper official, he could have posted upon the battalion boards a list of the counties of the Dominion. There would be no difficulty in that respect so far as the battalions not actually engaged in fighting are concerned. Those who have been actually engaged in the trenches for a certain period of time, are relieved by their comrades and are allowed to rest within the battalion lines while their fellows are taking their places. Within the battalion lines, then upon these boards containing the orders issued by the officers for the information of the men, these lists could be published within a week after the names were sent from Canada. If that were done, a great difficulty would be done away with. The boys over there are intelligent fellows. Every one who has been within the lines of a battalion knows how continuously the men cluster round these boards to see what the orders are. Every soldier would be interested in the election and he would be enabled to ascertain who were the candidates in his own particular county. The percentage of men who would not be acquainted with local conditions would be very small. If hon. gentlemen will think of the men who have gone from their own constituency they will realize that the percentage of those who would not be able to tell whom they wanted to vote for, even though they saw the names of the candidates on the battalion boards, would be very small indeed. If provision is made to this end, in the first blank space on the ballot the voter should be given an opportunity to vote for the particular candidate. If my hon. friend is going to send the ballot papers to the proper official over there without any identification marks of any kind, there will be left on the public mind the impression that the ballots were not properly identified. My hon. friend said that affidavits and all that sort of thing would accompany the ballots. That may be true. But it would always be possible for either party to stuff the ballot boxes if the papers were not properly identified. Why not have some particular identification stamp on the ballot? I know that in some of the provinces the ballots are identified by a perforated stamp. If the ballots were marked in this way it would remove all possibility of the introduction of a ballot which was not official in every way. I am making these suggestions solely with the idea of getting the Bill perfected. I would ask the minister whether he could not arrange to lay on the Table to-morrow some battalion lists, with the names of the men and officers. I know that the Militia Department issues lists of the names of the men and officers of all the battalions that have left this country, with their whereabouts, and all that sort of thing. I have quite a number of these lists myself, but some hon. gentlemen have not seen them, but I think an inspection of them would facilitate the discussion and be helpful to hon. gentlemen who are not familiar with military conditions. Could not the minister arrange to have placed on the Table to-morrow for the information of the committee two or three of these battalion lists with names?

Mr. DOHERTY: I shall be glad to ask the Minister of Militia if he can procure the information suggested. I think there is a great deal of force in what the hon. member has said as regards the order of the spaces, notwithstanding the suggestion of the hon. member for St. Antoine. With all the means that we are taking to circulate the information as to names, I would rather anticipate that the great bulk of these ballots will be marked by name, because if hon. gentlemen will look at the next section they will see that we have inserted a special provision that the names, addresses and descriptions of the several candidates who have been nominated shall be sent by the Clerk of the Crown in Chancery to every officer in command of Canadian troops in Bermuda, and to every presiding officer appointed to arrange for the holding of polls within Canada, and the Assistant Clerk of the Crown in Chancery transmits the information to all presiding officers of whose appointment he has been notified. We have not specified all the details of what these officers will do. It seemed to us that would be a more proper matter for regulations or for the instructions which it is provided are to be sent out.

Mr. MACDONALD: I think every hon. gentleman who knows anything about mili-

tary matters will agree with me that it will be perfectly feasible and of great advantage to have all this information posted up on the battalion board, and I think we ought to have a provision to that effect in the Bill, rather than leave it to the instructions.

Mr. DOHERTY: When we come to the next section I would have no objection to providing that the presiding officers, when they receive the information, shall post it up in such manner as shall be indicated. I should be glad to meet my hon. friend's suggestion as to identifying the ballot if we could do that without creating too much red tape, but I think a moment's reflection will show that it is no small undertaking to impose on the Clerk of the Crown in Chancery the obligation of separating 500,000 distinct ballots, and affixing a stamp on each one of them.

Mr. MACDONALD: There are not that many Canadians on the other side.

Mr. DOHERTY: There are 350,000 then.

Mr. MACDONALD: Not on the other side. My hon. friend has not been following the figures.

Mr. DOHERTY: Will the hon. gentleman object to 250,000?

Mr. MACDONALD: You are doing better.

Mr. DOHERTY: It would be quite an undertaking for the Clerk of the Crown in Chancery to sit down and put on the ballots an identification mark that would be of any value. Would it be desirable, if it should happen that two ballots got stuck together, and one went unstamped, and was handed out to a soldier that his ballot should be rejected? While taking all reasonable precautions, I do not want to do anything that would involve the risk of a man losing his vote through non-compliance with a formality of this kind.

Mr. MACDONALD: The votes of the men in camp in England could be taken just as easily as if they were in Canada. You have so many battalions in a camp, and all you have to do is to open your poll, and the vote can be taken just as easily as at home. There will be no trouble whatever at the camps in England, and there ought to be none in France, except in the case of the men in the front line trenches.

Mr. NICKLE: I would like to ask the minister what would be the effect if the name of a candidate were written on a ballot and a cross were marked opposite a square which was inconsistent with the political affiliation of that candidate? For instance, if it so happened that the name of the hon. member for Frontenac (Mr. Edwards) was written in square No. 1 of the ballot, and a cross was marked in square No. 3, would that destroy the ballot?

Mr. DOHERTY: I think the hon. member for Frontenac might be combined with an independent candidate. I have some evidence of his qualifications in that regard, but I dare say he would not link up with the Opposition. At first glance I should think we would be face to face with a ballot in which a man had voted for both sides, if he had voted for the hon. member for Frontenac, and likewise voted for the Opposition.

Mr. GRAHAM: Would it not mean that he was voting for the hon. member for Frontenac to go into Opposition?

Mr. DOHERTY: Under the circumstances I do not see that we could treat it as otherwise than a vote for both sides, and it would not count. At the same time, I should imagine the predominant intention was to vote for the man whose name was indicated.

Mr. NICKLE: That was the point I intended to raise, and that was why I asked the Minister of Justice what his interpretation would be. It seems to me if the name of a candidate is written on the ballot, it clearly shows the intention of the voter to vote for that individual, and I think the vote should be counted for him, regardless as to whether or not there may be any inconsistency in the voter having placed a cross in any of the other squares. The object of the scheme is to secure the registration of the voter's intention, and if he names a man the vote should go to that man, regardless of what the voter may think the political affiliation of the candidate is.

Mr. PUGSLEY: In the case where there is only one man to be elected for a constituency, I should think that even although the elector voted for a man by name, and then also put his mark in the square for "Government" or "Opposition" if the leader of the Opposition was of the opinion that the man so named was the Opposition candidate the ballot should not be rejected, because there was a clear intention to vote for that man. A greater difficulty might arise in the case of a constituency where there are two members to

be elected. Suppose that in such a case the man wanted to vote for two members and put the name of one and then put a cross. Take St. John, for instance. Supposing the man wanted to vote for Mr. Hazen and myself. Suppose he wrote the name of Mr. Hazen and then put a cross in the space for the Opposition. In that case, could the two votes be counted? Suppose he put a cross in both squares, thus marking his ballot three times, would that spoil his ballot?

Mr. DOHERTY: I would not be disposed to think that would spoil his ballot. For instance, a man who says "I vote for the Government" and then marks in "I vote for Mr. Hazen," assuming Mr. Hazen is the Government candidate, I think that man is simply saying the same thing twice, and I do not see any reason why his vote should not be counted.

Mr. PUGSLEY: Even if he wanted to vote for me also?

Mr. DOHERTY: If he also says he votes for the Opposition, the difficulty that would arise would be to say which of the two Opposition candidates the vote ought to go to. Supposing the voter says "I vote for Mr. Hazen," and also marks a cross in the Opposition square. The man has a right to register two votes on that ballot, because there are two members to be elected. I should say if he says "I vote for Mr. Hazen" that vote should be counted for Mr. Hazen. If he says "I vote for the Opposition" that ought to be a good vote for the Opposition, because the elector is entitled to two votes. The difficulty that would arise, as was suggested a while ago, is for which of the two Opposition candidates could you count that vote?

Mr. PUGSLEY: I think you would have to reject the ballot in that c se.

Mr. DOHERTY: I do not see why you should reject the ballot, for the voter had expressed a perfectly clear intention. Supposing he said "I vote for Mr. Pugsley" and he also marked a cross opposite "Government," I would not think it fair that my hon. friend should be deprived of the vote clearly expressed in his favour because of the fact that the other vote is not sufficiently clearly expressed to give it to somebody. That man has exercised one of the two votes in a perfectly unmistakable way. I do not think we should nullify that vote because unfortunately he used his other vote in such a way that we could not ascertain who it should go to.

Mr. PUGSLEY: Must it not be clear from the ballot which two candidates he wanted to vote for? Say he wanted to vote for me, in the case you put, and that it was uncertain whether he wanted to vote for Mr. Hazen or for Mr. Hazen's colleague. Under this Bill I think the whole ballot would have to be rejected.

Mr. DOHERTY: I think perhaps we might leave that for the courts to decide. The principle is that we should, so far as the intention is clearly ascertainable on the face of the ballot, but is not so expressed as to involve identification, give effect to that intention, and I think we should count that ballot.

Mr. PUGSLEY: There are five constituencies where that very thing may occur.

Mr. DOHERTY: There is a special section under which the consideration of these questions may properly arise. I refer to the section covering the method in which the ballots will be dealt with. We will have to consider the whole question when we take up that section. I think we should adopt any method that can be found to give effect to the intention of the voter.

Mr. MORPHY: I would like to add a word to what has been said by the hon. member for Kingston (Mr. Nickle) in regard to the case of a voter who has plainly written the name of the candidate in space No. 1. Assuming he wrote the name of the Minister of Justice there.

Mr. DOHERTY: He could not do much better than that.

Mr. MORPHY: Probably so. In some regards, I think the hon. gentleman is quite right. Having done that, there is a specific act on the part of that voter who has perhaps voted for the candidate for non-political reasons, or out of friendship, or through acquaintanceship. Then through confusion of the ballot, or perhaps by inadvertence, he puts a cross in the "Opposition" square. Surely it could not be contended that that would be a spoiled ballot? There can be no plainer act done by the voter than to write the name in full of the candidate for whom he wishes to vote. It ought to be incumbent upon the minister to make that clear. The hon. member for South Renfrew (Mr. Graham) has a lot of friends, some of them Tories, who vote for him. It would be a pity if such a mistake should be made by the voter. I would ask the minister to say that it would be an injustice to declare that a ballot shall be spoiled

where the voter writes the name of the candidate for whom he wishes to vote.

Mr. DOHERTY: I am inclined to think that it would be justifiable to accept the writing of the name as overriding the cross that would be put opposite the printed word "Opposition." I have made a note of it because we could only deal with it by way of an amendment to a section which comes later on and which describes how the ballots are to be counted. That would be the proper place to insert a provision to carry out what seems to me to be a pretty generally accepted view.

Mr. PUGSLEY: I suppose that if we allowed this section to pass it would not be understood that we would be at all committed to the form of ballot but that we could come back to it?

Mr. DOHERTY: I would be open to any suggestion as to the form of ballot. I was quite impressed with the desirability of carrying out the suggestion of the hon. member for Pictou that we should add a space for a labour candidate.

Mr. MACDONALD: If the minister would agree that we would be enabled to go back to it we might allow it to pass. But, we are not over all the difficulties yet.

Mr. DOHERTY: I will make no difficulty about going back to the ballot if there is any suggestion to be made.

Mr. GRAHAM: My hon. friend from Guysborough (Mr. Sinclair) made a suggestion that might be applicable to this section and I think the hon. member for Kingston (Mr. Nickle) raised a very important point. If we would consent to this section being passed and then adjourn, the minister has assured us that he will have no objection to our going back or to making any suggestions concerning it. The real pith of the discussion is as to the form of the ballot which we have been discussing. Will that be satisfactory?

Mr. MACDONALD: On the understanding that if we find that we have to move an amendment we will be able to do it.

Mr. DOHERTY: I shall not make any objection, if we cannot come to any agreement, to another amendment being suggested as long as the language is not too strong.

Section agreed to.

Progress reported.

On mention of Hon. Mr. Doherty, the House adjourned at 11.35 p.m.

[Mr. Morphy.]

Wednesday, August 22, 1917.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by asterisks.)

NON-COMBATANT POSITIONS.

Mr. MACDONALD:

How many officers and men are permanently employed in positions which are non-combatant, in connection with the Overseas Militia Department in London, England?

Sir EDWARD KEMP: None of the officers and men employed in London, England are permanent except those that have been seconded from the permanent staff and permanent force of the Canadian active militia. All of them, except those that belong to non-combatant units in the military sense, such as Canadian Army Pay Corps and Canadian Ordnance Corps, are combatant.

Mr. MACDONALD: With your permission, Mr. Speaker, I should like to call the attention of the Minister of Militia to the fact that the answer he has given is an evasion of the question. I should like my hon. friend at a later date to answer my question by stating how many officers and men have been sent over from the permanent staff and permanent force to perform the duties to which I refer. As to the minister's reference to the fact that those who belong to non-combatant units in the military sense are combatants, I would point out that I was referring to the non-combatant positions, not to the men themselves. My hon. friend's answer, therefore, is not an answer at all, and I should like an assurance that later he will give me the information for which I asked.

Sir EDWARD KEMP: There was no intention whatever to evade the question put by the member for Pictou. His question clearly is:

How many officers and men are permanently employed in positions which are non-combatant?

The word "permanently" is understood to mean permanently as opposed to temporarily; the word has the same effect in the camps in England as it has in Canada. Men who are non-combatant in a military sense are men who belong to the Army Pay Corps, the Ordnance Corps and units of that kind. Does my hon. friend refer to those who are occupying positions of a civilian character? If he will be good

enough to put his question in some way so that the information sought will be clearly defined, we will try to answer it.

Mr. MACDONALD: The men who are employed in connection with the Overseas Militia Department are certainly non-combatants while they are so employed, no matter what corps they are attached to. In his answer my hon. friend excepted those men with reference to whom information should have been given. I will put the question in another way, and I hope I shall receive the information that I am seeking.

NATIONAL SERVICE EMPLOYEES.

Mr. LANCTOT:

1. How many men, officers and employees of the National Service Commission are of military age?
2. What are their names and respective salaries?
3. Who, if any, have military badges, and on what grounds in each case have they been granted?

Sir EDWARD KEMP:

1. None.

2 and 3. In view of the above answer these questions do not arise.

BUILDING OF WOODEN SHIPS.

Mr. PARDEE:

1. Are wooden ships being built in the Government Dry Dock in Prince Rupert?
2. Is the plant in operation?
3. If not, what is the reason therefor?

Mr. HAZEN:

1. There is no Government dry dock at Prince Rupert. The dry dock to which presumably reference is made is one owned by the Grand Trunk Pacific Development Company. The Government are informed that no wooden shipbuilding has yet been commenced at this dry dock.

2 and 3. The Government are informed that a considerable amount of ship repair work has been done at this dock. The Government have been in communication with the Imperial Munitions Board and the Grand Trunk Pacific Railway Company, and earnest efforts have been made to secure the commencement of a shipbuilding programme at Prince Rupert. It is understood that up to the present it has not been possible to arrive at a programme that would ensure such deliveries of material and supply of labour as to justify the letting of contracts.

MONCTON ARMOURY SITE.

Mr. COPP:

1. Did the Board of School Trustees for the city of Moncton ask for the use of the site of the new armoury in the city of Moncton for school garden purposes?
2. If so, was said request granted?
3. Was any part of this lot used by families of soldiers who have gone overseas?
4. If so, what are the names of the soldiers whose families are using same?
5. Was this site, or any part of same, used for any other purposes? If so, for what purpose?
6. Has any rent been paid by any person, or persons, for use of said lot? If so, what amount and to whom paid?

Sir EDWARD KEMP:

1. Yes.

2. No, as it has already been decided to set apart this land for the use of soldiers' families for agricultural purposes.

3. Yes.

4. No. 709049, Pte. W. A. Weldon, 5th Canadian Mounted Rifles; No. 709511, Pte. Dale Weldon, 20th Battalion; No. 1030313, Pte. Donald G. Grant, 236th Battalion; No. 507296, Pte. A. J. Grant, Signallers; No. 649181, Sapper Frank Cuthbertson, 6th Canadian Railway Troops; No. 477216, Pte. E. Cuthbertson, Royal Canadian Regiment; No. 355, Pte. B. L. Wadman, Canadian Army Dental Corps. All these soldiers are overseas, with the exception of F. Cuthbertson, whose battalion is yet in Canada; and E. Cuthbertson, who is at the Signal Training Depot, training for service overseas.

5. Yes. Red Cross Society, of Moncton, for patriotic purposes.

6. No.

UNOPPOSED MOTION FOR PAPERS.

Mr. A. W. CHISHOLM:

For a copy of all letters, telegrams, petitions, communications and documents of all kinds referring to a request for having the mail from Marble Mountain come from Eden Platform instead of West Bay Road.

SIR GEORGE PERLEY.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Rouville): I see in a press despatch that Sir George Perley is coming back to Canada. I would ask if that is true.

Sir GEORGE FOSTER: I hope he will return to Canada some of these days, but I have no information that he contemplates a speedy return.

CANADIAN NORTHERN RAILWAY.

On the Orders of the Day:

Mr. E. M. MACDONALD (Pictou): I ask the Minister of Finance if he will be good enough, before we return to the dis-

cussion of the Canadian Northern Bill, to get information for the committee as to whether or not the obligations of the Canadian Northern Railway which fell due on June 1, July 1, and August 1 were met, and if they were, were they met by means of advances made to the company by banks in Canada who did so at the instance of the Government, which agreed to recoup them, and if so what are the names of those banks?

Sir THOMAS WHITE: I will consider the question of my hon. friend. I do not know precisely what he refers to. He mentions the obligations of the Canadian Northern, but he does not state what those obligations were. I will take it up when we are in committee again upon the Bill.

Hon. RODOLPHE LEMIEUX: What amounts have been spent by the Canadian Northern on the Mount Royal tunnel, and the Montreal terminal.

Sir THOMAS WHITE: I think I can obtain that information for my hon. friend. If I am not able to do so before we are again in committee on the Bill, my hon. friend may raise the question anew.

Hon. FRANK OLIVER: When we were discussing the Canadian Northern Bill, I made allusion to the fact that the stock had been pledged to the Bank of Commerce, and the Solicitor General stated the stock had been so pledged. I would be glad if the minister would bring before the House a statement of the amount of advances made by the Bank of Commerce to the Canadian Northern in respect of that stock.

Sir THOMAS WHITE: I might say in answer to my hon. friend that the advances referred to by the Solicitor General are those made to the owners of the stock, not to the Canadian Northern Railway Company. No company can borrow against its own stock. As I understand it the advances were made to Messrs. Mackenzie, Mann and Company upon the stock and other assets, in the usual course of business. I have no information as to the amount, and I do not regard it as relevant to the discussion on the Bill.

Mr. NESBITT: I ask the Minister of Finance if the announcement in the Gazette to-day that the Canadian Northern had raised $10,000,000 on Dominion Government securities, is with respect to the repayment of some maturing loan on an old guarantee that had been put up as collateral for the present financing?

[Mr. Macdonald.]

Sir THOMAS WHITE: I have not had my attention drawn to the article to which the hon. gentleman refers. The Canadian Northern Railway Company has a loan, secured by Government collateral, maturing about September 1, and they have been negotiating to renew that loan, or to make a new loan from the proceeds of which the old loan could be paid off. I have no doubt the announcement refers to that transaction.

Mr. OLIVER: The sense in which I desired the information I asked for was possibly not the sense in which the Minister of Finance understood it. I desired the information for the purpose of taking in some degree, the measure of the value of the stock as evidenced by the transaction between the holders of it and the Bank of Commerce.

Sir THOMAS WHITE: I said that, as far as I understood it, no loan had been made specifically against the stock. There is no connection between the amount of the loan made and the value of the stock. My hon. friend, let us say, has an account with his bankers and they have a lien upon his assets, but the lien is upon the entire amount of his assets, including in the amount a particular security. It is not the case that a specific loan is made against a specific security.

COAL SUPPLIES IN CANADA AND THE UNITED STATES.

STATEMENT BY THE MINISTER OF TRADE AND COMMERCE ON THE COAL SITUATION.

Mr. W. E. KNOWLES (Moosejaw): I ask the Minister of Trade and Commerce if he will give us a report with regard to the coal situation. He said yesterday that he would do so to-day.

Sir GEORGE FOSTER: I can give a very general statement in reference to the coal situation, which, if it has not been followed closely by the members of the House may not be within their knowledge. The coal situation in Canada, as it presents itself, is about as follows: The production last year of non-anthracite coals in Canada amounted to 13,800,000 tons. Of that production a little over 6,000,000 tons came from the Maritime Provinces (Nova Scotia almost entirely); 2,800,000 tons was raised in British Columbia, 4,600,000 tons in Alberta, and a small proportion in Saskatchewan, making altogether the amount raised about 13,800,000 tons. That, however, was

not sufficient for the needs of Canada, and in addition to that about 13,000,000 tons of bituminous coal had to be imported from the United States. Of the importation of bituminous coal, about 2,500,000 tons went to Quebec, 5,500,000 tons to central Ontario, 5,000,000 tons to the Georgian Bay and lake ports. The importation of 13,000,000 tons and the amount raised in Canada of 13,000,000 tons represent our available supplies for consumption after deducting about 1,800,000 tons, which was exported for bunkerage and other purposes, and some little which was exported to the United States. That is the situation in reference to the bituminous part of the coal business.

As regards anthracite, we are dependent for our supplies under present circumstances on the United States. Last year 4,500,000 tons of anthracite were imported into Canada. About one-quarter of a million tons went to the Maritime Provinces, a little over 1,000,000 tons went to Quebec, a little over 2,000,000 tons to Ontario and a small proportion—half a million tons or so—to Manitoba and the near west provinces. In addition to the bituminous coal amounting to 13,000,000 tons imported therefore, we imported anthracite coal to the amount of 4,500,000 tons, making a total importation of fuel coal for domestic and industrial purposes of 17,500,000 tons.

Anthracite stocks in this country were pretty well lowered last year, or at the end of the last coal year, and probably 1,000,000 tons extra will have to be imported of anthracite in order to make up for the deficiency, which means that we are dependent upon the United States for about 18,000,000 tons of coal.

With reference to our own production of coal, there is not any possibility that I can see that the amount raised this year will be in excess of the amount raised last year. In the West there have been coal strikes, and consequent delays and confusion, which have reduced to that extent the possible output. In Nova Scotia the shortage of labour, owing to enlistments and other causes, has been so great that it has been impossible for them to add to the production this year. On the other hand, the consumption demand in the Maritime Provinces has increased and the situation in that respect is that what is raised in the Maritime Provinces will not be more than sufficient to take care of the needs or demands of the Maritime Provinces. What formerly came to Quebec (quite a large proportion of it from the bituminous output of Nova Scotia) will have now to be supplied by imports from the United States.

That is the situation in so far as Canada is concerned and therefore the situation in the United States becomes of more interest to us. What then, in its brief and broad features, is the situation in the United States? The normal output of anthracite coal in the United States is between 67,000,000 and 68,000,000 tons—last year it was 67,700,000. The output of commercial bituminous coal in the United States, sold on the market, last year was 509,000,000 tons. The beginning of the coal year, the first of April, had found the supplies in stock not very large, but production, despite all difficulties, has increased from April up to the present time and the total amount raised, both anthracite and bituminous, for the period of the present coal year has been considerably in excess of what was raised last year.

The question comes: If there is any amount of coal in the United States and the output has increased as compared with last year, why the high prices and why the consequent fears of shortage? There are several principal reasons for it. In the first place there is a vastly increased demand in the United States for industrial and war purposes. The increase of steel which is computed to be necessary this year and which will be forthcoming, calls for an increase of 40,000,000 tons of coal for that special production alone. The cotton textile factories, the munition factories and other industries, stimulated now by war needs, are calling for increased quantities of coal. The railways have to do the hauling and it is computed that the railways this year will require thirty per cent more coal for haulage purposes than they consumed last year, which works out at about an extra amount of 40,000,000 tons or over. That has to be taken into account and it is not possible or probable that the demand will be decreased. In proportion as industry carries on its work of war preparation coal becomes more and more necessary.

One cannot understand the coal situation in the United States, even comparatively, unless he also takes into account the transportation situation which is so intimately connected with the distribution and even the production of coal, as tardy or speedy distribution forms a most important element in coal mining. There has been a comparative shortage of railway transport

for coal purposes. Barges and ships along the Atlantic coast and barges and ships on the lakes have been transferred in large tonnage quantities from the carriage of coal to the carriage of more remunerative freights. Many of these vessels, both on the lakes and on the Atlantic coast, have been diverted into war activities, either by purchase or by charter. Thus there has been and is a shortage of shipping carriage for coal. With reference to the railways, the demands upon them for the carriage of other freight than coal have been very great. They have not in the United States a co-ordinating body such as our Railway Commission, but, in order to cope with the situation, some months ago the railroad presidents of the United States met in Washington and voluntarily submitted themselves to the regulative control of a committee of five or six railway men. The American railroads are now administered so far as transport arrangements go, as if all were under one system and managed by this railroad war committee. As a result of their work, voluntary entirely, they have cut out, up to the present, more than 16,000,000 miles of train services and have thus saved thereby 1,120,000 tons of coal, which motive power, man power, and fuel power can now be diverted to more necessary carriage. They have also taken hold of the car distribution and within the last three months have diverted 106,000 empties from railways where they could be spared to railways and districts where they were more necessary and where they could do better service. That shows the improvement that is taking place.

One point to be taken into consideration is that most of the mines in the United States have not storage facilities. They depend upon the coal being carried away as soon as it is raised; and it is the custom of the men in most of the mines, I am told, not to go under ground unless the cars which are to take the product away are there ready for loading; and if the cars are delayed and are not available for loading, no work, or less work, is done in the mines, and to a corresponding extent there is disorganization and confusion amongst labour itself. A part of the shortage which has occurred is, of course, due to the transferrence of alien labourers by hundreds of thousands to European countries to the colours of those countries.

As to what is being done in Canada, the fuel controller and his aides are busy at work on two lines, first to co-ordinate the activities of the dealers and shippers and the transport facilities in Canada with a view to equal distribution of the coal when it once arrives at the border, and, second, to look after the supplies that are necessary in the various sections, to ascertain what they are and to make arrangements for their being filled. On the other side of the line the work of the fuel controller and his aide is to keep in co-operative touch with the authorities, the coal miners and operators, the transport facilities and so on, as well as with the Government authorities, to work in touch and unison with them, to get their sympathy and their aid so far as possible. These two lines of their endeavour are being carried on with great pertinacity I know, and I think with very considerable success.

From this short survey of the situation two things are patent as to what Canada will be required to do. It is not impossible, with the wide powers that have been conferred upon the President of the United States and with the work that is being done to ascertain and to regulate the prices and the output, and with the wide powers that we possess to regulate prices and tariffs, that, if activities are maintained as they now are, both the United States and Canada will be, to a certain extent, put upon rations with regard to coal, as distinguishing between absolutely necessary services and services which are not so necessary and which may be dispensed with. In Canada we are taking measure to bring about a complete co-ordination between the different railway companies as to the disposition of cars and the direction of traffic with the view to the saving of coal, just as we are saving in foods. I believe myself that this is absolutely necessary, and that we can do a great deal in that way.

I have not given to the House particular figures with regard to particular lines that are being followed; it is, perhaps, not best that I should. With reference to the lakes, hon. members will have observed last night that orders have been issued by the Washington authorities to several of the great railway lines to give preference to coal carriage from the mines up to the ports on the lakes so as to provide for the supplies which are necessaries to go up those lakes during the open navigation season in order to provide for winter necessities.

I have endeavoured to give, as briefly as possible, an idea of the general situation, information which helped me, as I came to understand it, to see the question in its true light, and which may be somewhat helpful to the House.

Mr. PUGSLEY: My right hon. friend (Sir George Foster) made no reference to the arrangement which he said some two weeks ago was being made by the Government to place some vessels at the disposition of the authorities in Halifax and St. John, with a view to obtaining ship transportation from the anthracite mines of the United States to those ports. Would my right hon. friend say whether those arrangements have been completed, and, if so, whether the vessels have been placed at the service of these authorities and when it is expected the carrying of coal to those ports will commence?

Sir GEORGE FOSTER: My statement still remains true, with some modifications, which it was hinted at the time would be necessary, as to the facilities for unloading large vessels. The fuel controller and his helpers in Halifax and in St. John, had a conference in Montreal, and went over that situation. I think the view is that the transport situation is loosening up considerably with reference to the employment of the smaller vessels, and that there is possibility of getting service at a more reasonable rate. The offer is still open and can be carried out in reference to the larger vessels, to which I referred, in the carrying of large cargoes. The whole matter is under the close advisement of the fuel controller and his helpers in St. John and Halifax, in co-operation with the Department of Marine. My hon. friend (Mr Hazen) may have some other knowledge about it.

Hon. J. D. HAZEN (Minister of Marine): Some time ago my department took steps to obtain vessels for the carrying of coal from the mines to Halifax and St. John. Great difficulties have been experienced. First of all, we had released, for the Dominion Coal Company, a large ship which had been commandeered during the war by the British Government. We made representation as to the necessity of having that ship in commission for the coal trade. In addition to that, we succeeded in placing at the disposal of this company vessels which had been commandeered and those vessels have been employed in taking coal to Halifax and St. John, and have relieved the situation, so far as the supply of bituminous coal to these cities is concerned. Some time ago our attention was called to the danger of an anthracite coal famine at St. John, Halifax and other ports, and, on looking into the matter, we found that the dealers at St. John, Halifax and other places in the Maritime Provinces were justified in exacting the very high prices they charged for coal, in consequence of their being called upon to pay enormous freights for the transport of the coal from New York to points in the Maritime Provinces. The Maritime Province dealers did not purchase from the mines, but purchased generally through dealers in New York, and whereas the carriage of coal before the war cost about $1.50 a ton from New York to points like St. John and Halifax, the schooner owners and vessel owners were now charging as high as $6 a ton, or four times the freight charges before the war. In view of this, we notified the fuel controller that the Department of Marine and Fisheries would be prepared, if the dealers obtained the coal for the Maritime ports, to furnish vessels for the purpose of transporting it at what would be regarded, under all circumstances, as a fair and reasonable rate of freight. The vessels that we proposed to place at their disposal were vessels of 3,000 tons. The hard coal which comes to Maritime Province points has not come in large quantities, and it was carried in vessels of 500 or 600 tons or less. The difficulty arose that because the dealers in these places had not facilities for handling great quantities at one time—they had not coal pockets, and storage facilities, for large consignments—it was represented by authorities in St. John and Halifax that, if ships of 3,000 tons were placed at their disposal, it would be impossible for them to handle such large cargoes. The day before yesterday, as stated by the Minister of Trade and Commerce, a conference was held in Montreal, at which were present the fuel controller, Mr. Magrath, representatives of the coal interests in Halifax and St. John, and other places in the Maritime Provinces, and the Deputy Minister of Marine. I believe that the general opinion expressed was that there was practically little, if any, danger of a coal famine at any of these ports. It was the consensus of opinion that the matter was largely a schooner proposition, and that the coal must be carried by schooners, and not by the larger vessels. Under these circumstances I have authorized the Deputy Minister of Marine and Fisheries to say to the Fuel Controller that if we are informed that cargoes will be available I will be prepared to recommend the commandeering of schooners to bring that coal to Maritime Province ports at prices considerably less than the prices now charged. It will

be possible to do this, in conjunction with the coal dealers, and if this is done I think it will have the effect of lessening very materially the prices that are being charged at the present time.

Mr. OLIVER: If I might be permitted, I should like to make the suggestion to the Minister of Trade and Commerce, in regard to the coal situation in Alberta—

Mr. SPEAKER: The hon. gentleman would be quite out of order.

LOCATION OF EXEMPTION TRIBUNALS.

On the Orders of the Day:

Mr. DEVLIN: I desire to ask the Government, through the Minister of Justice, what progress has been made by Mr. Plaxton in establishing localities for units of exemption under the Military Service Bill.

Mr. DOHERTY: I am not in a position to answer the question fully, but I may say, in a general way, he has gathered very considerable information, and I think the location of the different places where the tribunals are to be established is just about decided.

Mr. DEVLIN: I should like to ask the Minister of Justice if, at the time instructions were given to Mr. Plaxton to go on with the location of tribunals of exemption, the Government had obtained the assurance, as under the constitution it was bound to do, of the Governor General's assent to the Military Service Bill.

Mr. SPEAKER: These are questions which the hon. member had better place on the Order Paper.

Mr. DEVLIN: The question is one of vital importance.

Mr. SPEAKER: That is one of the reasons why I have suggested that it should be placed on the Order Paper. The hon. member cannot on such a matter expect an off-hand opinion from the Minister of Justice. I must say to the House that I have endeavoured not to be too strict in restricting questions put when the Orders of the Day are called. I think I have erred upon the side of giving too much latitude in this respect. Many questions have been put to which, in view of the times and the conditions we are living under, I have not raised objection, but I fear that some hon. members have abused the privilege and have asked many questions which ought, more properly, to be placed on the Order Paper in regular form. I must ask hon. members to assist me in keeping as closely as possible to the rules.

Mr. DEVLIN: Do I understand that my question is not in order?

Mr. SPEAKER: I would ask the hon. member to place his question upon the Order Paper.

RESOLUTIONS OF THE WAR VETERANS' ASSOCIATION.

On the Orders of the Day:

Mr. PUGSLEY: Has the hon. Minister of Militia (Sir Edward Kemp) received the resolution of the War Veterans' Association, to which reference was made a few days ago, when he said he would inquire into it; if so, has any action been taken with regard to it?

Sir EDWARD KEMP: When my hon. friend from St. John brought this matter to my attention, I had a search made for the resolution, throughout the different branches of the department, and I am unable to find that the resolution has reached the department at all. I have searched in every branch of the department for the resolution, but I am unable to find it.

THE MILITARY VOTERS' ACT, 1917.

FURTHER CONSIDERATION IN COMMITTEE.

The House again in committee on Bill No. 127, the Military Voters' Act, 1917—Hon. Mr. Doherty—Mr. Rainville in the Chair.

On section 6—Information as to the candidates.

Mr. MACDONALD: What has the minister to say as to my suggestion last night that we should provide for the posting of lists of candidates upon the notice boards of the various battalions?

Mr. DOHERTY: This provision is to ensure that information as to candidates will reach the different presiding officers at the earliest possible moment. Of course, the purpose of making the provision was that these officers should be in a position to circulate that information so that it might reach the soldiers. I would expect that they would use every means in their power to attain that result. I had it in mind that the details of how they should do that might, perhaps, be dealt with in regulations or instructions under the Act. I did say last evening—and I am willing

to adhere to it—that, if hon. gentlemen thought it desirable, we could add to this section a provision that the presiding officer should circulate this information by every means at his disposal—or some general words of that kind. We could hardly name in the statute the particular places where he should put the notices up. In the Dominion Elections Act a returning officer is instructed to put up his posters in four of the most prominent places in the district; he is left that much discretion. Perhaps what I have suggested would cover the point raised by my hon. friend.

Mr. MACDONALD: The minister is always talking about this matter as if mysterious difficulties had to be overcome in order that this information might be conveyed to the soldiers in the camps in England or in France. There is no reason why there should not be a definite statement that publication of these lists shall be made in each of these camps. Under the Dominion Elections Act, a returning officer in Canada must publish notices giving the place of holding the election, the subdivisions of the different ridings where the election is taking place, and the particular places where the polls are to be held.

We have in England 127,000 men, located in the different camps and hospitals. If the minister will look at the military regulations—it is most difficult for hon. gentlemen to get a copy of them—he will see that there are most effectual methods of conveying information to the rank and file. Any one who has ever been through a camp knows that near the adjutant's tent there are a number of bulletin boards on which notices are posted. The soldiers make a point of looking for these notices, and in that way any information the commanding officer desires to communicate is quickly disseminated. These bulletin boards are found in every camp in England and France and at the hospitals, and every soldier overseas, except those who are in the front line trenches for a week at a time, or whatever it may be, could be informed of the names of the candidates in that way. Why should we not definitely provide in the statute that the information shall be posted on these boards? Twenty-four hours after our nominations close, the proper officials in England will know the names of every candidate in every constituency in Canada, and the information could be printed and posted up within a further twenty-four hours.

Mr. DOHERTY: I have no objection to putting in as much detail as it is reasonable to put in a statute, and I have no objection to accepting my hon. friend's suggestion. All I was a little apprehensive of was that if we specified one particular method it might happen that some more effective method of communicating this information to the soldier would be available to the presiding officer, and I had in mind that in the instructions or regulations we should provide that he use every available means of conveying this information. It does seem to me that it would be wiser to adopt that form, rather than to specify one particular method, which, in some instances, perhaps by accident, might not be available.

Mr. GRAHAM: I think it would be well to follow as closely as possible the method of conveying information that is followed in an ordinary election. Of course, it is not necessary to post up notice of an election in this country, because the people have evidence of its approach practically every night during an election campaign. But around every polling station placards are posted saying where the poll will be held. As the hon. member for Pictou says, in every camp there are bulletin boards, by means of which the commanding officer can convey to every private in the ranks any information he desires to give, and the news is very quickly disseminated. Could not the minister provide in the statute that the information shall be posted on these boards in the same way that commanding officers furnish other information to the sub-officers and privates, and that where this means is not available some other means shall be adopted? If we leave the door wide open, one presiding officer will use one means of giving the notice and another, another. There would

4 p.m.

be no uniformity, with the result, possibly, that a large number of those entitled to vote would not see the notice at all. I think it is preferable that the notice in regard to the election should be posted in the same way that other information is posted for information of the soldiers.

Mr. DOHERTY: The section provides that this information shall be transmitted through all presiding officers. Perhaps we might add to the section something like this:

> Presiding officers shall cause placards containing this information to be posted on the bulletin boards in all camps where the same may be possible, and shall use all other available means of bringing this information to the knowledge of the soldier.

I had in mind something of that nature to be inserted in the instructions. With regard to the requirements in this country, I would point out that the places where this information is to be posted are left to the discretion of the returning officer. Section 88 provides that:

The returning officer shall cause such proclamation to be posted up within the electoral district for which the election is to take place, at four of the most prominent and conspicuous places in each city, town and village, or ward of such city, town or village, when it is subdivided into wards, and at four of the most prominent and conspicuous places in each parish, township or division of parish or township.

I think what I am suggesting now is more definite than that, as it requires that the notice shall be posted on the bulletin boards in all camps, where that is possible, and further than that, that every other reasonably available means be used to bring the information to the knowledge of the soldier. I desire to meet the views of hon. members if possible, but with all respect, I do think that this is a matter that might, perhaps, have been left to the instructions to be given to presiding officers.

Mr. MACDONALD: We have had the opinion of the hon. member for New Westminster as to what the officers on the other side shall do, and in view of the statements that were made by him, a Government supporter, I do not think the minister can complain against hon. gentlemen on this side of the House. The amendment suggested by the minister seems to cover the ground reasonably well, except that it says: "the bulletin boards in all camps." Now, each battalion or corps has a bulletin board, and unless the minister adds something like this: "the bulletin board of each battalion or corps," the notice might be posted on the bulletin board of one battalion in a camp and the men belonging to other battalions might never hear of it at all.

Mr. DOHERTY: I have no objection to inserting that also. I had used the word in the plural, and I thought it would cover all the boards in the camp. In the definition section of the Act, "Camp" is made to cover every place where there is a gathering of soldiers under the command of an officer. It would therefore cover every place where a bulletin board might exist. I have no objection, however, to accepting the suggestion, and I therefore beg to move that section 6 be amended by adding the following words:

Presiding officers shall cause placards containing this information to be posted upon the bulletin boards of each battalion in all camps where the same may be possible, and shall use all other reasonably available means to bring such information to the knowledge of the military elector.

Mr. EDWARDS: What is the information?

Mr. DOHERTY: The list of the nominations made in the different electoral districts.

Amendment agreed to.

Section as amended agreed to.

On section 7—Nomination and polling days.

Mr. A. K. MACLEAN: Does this mean there shall be no deferred elections in Canada?

Mr. DOHERTY: Yes. The intention is there shall be no deferred elections in Canada.

Mr. A. K. MACLEAN: Not even in the county of Chicoutimi?

Mr. DOHERTY: Not even in the county of Chicoutimi. I must make one correction to that. We have found that with regard to the Yukon territory it would be impossible to carry this out without making a very undue delay between the issue of the election writ and nomination day, and, therefore, I desire to move an amendment to the section. I have not under my hand at the moment the provisions of the Dominion Elections Act which make it clear that this undue delay would be caused if we made the nomination day all through Canada await the time when it would be possible to comply with the present requirements of notice, etc., with regard to the Yukon Territory. I therefore beg to move:

That section 7 be amended by inserting in the third line thereof, after the word "districts" the words "except the Yukon Territory."

Mr. McKENZIE: Is the minister sure that the twenty-eighth day might not fall upon a Sunday, or a holiday?

Mr. DOHERTY: It will not fall upon a Sunday unless we fix nomination day upon a Sunday, and I thought perhaps we might be entrusted with having sufficient reverence for the Lord's Day not to fix nomination day on a Sunday. As regards statutory holidays, I also think we might be trusted to so arrange nomination day that the corresponding day in the fourth week thereafter will not be a statutory holiday.

Amendment agreed to.

Section as amended agreed to.

On section 8—Conduct of polls:

Mr. CARVELL: I have not had an opportunity of taking part in the discussion of this Bill, on account of absence; but going over it hurriedly this afternoon, it seems to me that paragraph 5 of section 8 is a very, very serious departure from the recognized principles necessary in holding elections in Canada. I realize that there is some difficulty in applying all the well-recognized principles of holding elections in Canada to elections held in war time, and many of the provisions which are being passed here must be very largely experimental. At the same time it is not right to allow a returning officer—I do not care who he may be or how he is appointed—to carry a polling box or bag around as he wants to, and get the men here and there and allow them to vote without having any person present. I know that appeals to the Minister of Justice as being an unfair provision. I can quite understand there may be cases where there will be a great deal of difficulty in having a really organized poll, but there can be some machinery provided by which some person representing all the interested parties can be notified of the time and place of the voting. We all know that many people are unfair about elections, and there is no use of us shutting our eyes to the fact. Every man in this House knows that even under the most rigid protection which can be afforded by statutes, you will have unfair practices at elections. As the Bill is, if a man wants to be unfair, you simply put the power in his hands. You hand over to an officer who is chosen by the Government—and I notice last night the Minister of Justice held the Government was not to throw away their powers of conducting the elections, and I admire him for his honesty, because he has admitted that they are going to run the show.

Some hon. MEMBERS: Hear, hear.

Mr. CARVELL: That is what the minister admits. Therefore, if he is going to run the show and is going to appoint political partisans to hold these elections in the army, while I admit that there are a lot of men who would not violate their oaths of office, still we know what is liable to happen. He is liable to get men who will not be as scrupulous as others will be. It is an absolute violation of the principles of decency and honesty to allow a man under any circumstances to go around and take votes under conditions which he might say were all right, but under condition in which there would be no opportunity of having anybody present to watch him. I hope the minister will consider clause 5 very carefully and that he will either eliminate it or throw some protection around it, so that there cannot be any possibility of fraud. Everybody admits that the soldier should have a vote. Yet there should be every precaution taken so that there will not be a feeling in this country that unfair methods are being adopted to secure an advantage for one party as against another.

Mr. DOHERTY: I do not desire to contest the proposition that an unscrupulous person could abuse his position. But let us get away from the unscrupulous person for a moment and look at it from the side of the soldier voters. What I had in mind in making that provision was this: Soldiers, at the time that the poll is going to be held, say to-morrow, are ordered into the front line, or into the trenches.

Mr. MACDONALD: That is only in France.

Mr. DOHERTY: It possibly might be a good suggestion to limit it to France. That is the class of soldiers that I had in mind and that is the sort of condition with which a conscientious deputy presiding officer could deal. I have such an abiding faith in human nature that I am loth to believe that our officers over there who will be appointed, although they will be appointed by the Governor in Council, like all officers that ever were appointed in this country, would seek to avail themselves of such a provision in order to fraudulently pass over a vote. I would be quite ready to adopt any wording which will restrict that provision in such a way as to diminish any possibility of fraudulent action in regard to it. I would be sorry to sacrifice the provision as a whole because we all know that these voters that we are trying to enable to vote will, in large numbers, do their voting in the valley of the shadow of death. Under these conditions I think it would be unfortunate, if a soldier goes the day before we had arranged for a formal poll at the place where he is to be, and if he is to face death in the performance of his duty, that he should be absolutely prevented from registering his vote in the event of his never getting back. I would anticipate that there would be agreement perhaps that, if it is a reasonable proceeding to provide an opportunity for him to record his vote, it should be provided. I realize that it does provide

a possibility for fraudulent action if you have an unscrupulous voter and an unscrupulous deputy presiding officer. I would really have been glad if I could have conceived of any provision to meet that condition. I would be glad to accept any suggestion with that end in view.

Mr. CARVELL: I can offer my hon. friend a suggestion right off. There is no reason for a provision of this kind in Canada or England. These are two things that might be eliminated.

Mr. DOHERTY: With regard to England, these men are being constantly taken in drafts. A regiment cannot go and most of the men do not go as units to France but they go in drafts. The presiding officer has fixed his poll in a camp in England, say, for the day after to-morrow, and to-morrow a hurry-up call comes for fifty men to go. Must we say that they will have to vote at a formal poll, of which the scrutineers have been notified so that they may be there to verify their votes?

Mr. MACDONALD: They could vote in France.

Mr. DOHERTY: That is all very well if they get to France in time.

Mr. MACDONALD: Nobody crosses to France who does not go through a period of preparation before going to the trenches and every man who crosses does not go into the trenches. Thousands of men in other corps that are auxiliary to the fighting forces are not called upon to go to the front at all. The men who go to France stay at a base for a period of preparation.

Mr. DOHERTY: That is one instance and it may be that that the answer is sufficient. But I understand that men are brought back to England, many of them wounded and some perhaps in a dying condition. Men in large numbers, unfortunately, are severely wounded. Many of them, no doubt, are in danger of death. Many of them die day after day. What I would like to get at by this provision is to make it possible for the votes of these men, under these conditions and circumstances, to be taken without the formality of a poll.

Mr. CARVELL: If that is all the minister wants I think we can arrive at something, that is all I want.

Mr. DOHERTY: I would be very glad to get a suggestion from the hon. gentleman.

Mr. CARVELL: I am not the minister of elections, but I know something about elections in Canada. I presume that the gentlemen who have gone overseas have not ceased to be human beings because they happen to have put on the khaki. The minister seems to balk at the expenditure of a little money in order to take this vote.

Mr. DOHERTY: No.

Mr. CARVELL: Because I notice that only a very limited number of scrutineers are to have their travelling expenses paid. There is more money being squandered on the Maritime Provinces general staff alone than would provide for a hundred elections in France. They are spending $400,000 on the general staff, and when you add to that separation allowances to their wives and a great army of typewriters, batmen, servants and hangers-on, I am sure you will have $600,000 or $700,000 that is being paid—I will not say squandered—on the little general staff in the Maritime Provinces. Why cannot the minister spend a little of this money in order to secure a fair election in France? Why can he not have it arranged in some way? I am not just giving him the wording, but if he would accept the idea I would very soon give him the words. The situation would be met if he would provide that no vote shall take place except in the presence of the scrutineers for both parties.

There must be a scrutineer for each party, whether there are two or three, and if those men should be officials paid by the Government the cost involved would be only a few dollars at the very outside. There is no occasion for a hurry-up call such as my hon. friend describes. While such a condition of affairs might exist, I think he is magnifying the possibility of it, because men do not leave England on a day's notice, and when they arrive in France they do not go at once to the front, but to a base. The presiding officer should not be allowed to receive a ballot except in the presence of a scrutineer for each party, and then all the ballots taken should be sealed up and signed by the scrutineers in such a manner that they could not be tampered with or broken open until the final counting. This could all be done very simply and at a very slight expense. There is no occasion to permit the presiding officer to go behind the barracks, or wherever he finds a man who has a right to vote to receive a ballot, and put it in a bag and keep the bag open for a month, the ballot not even being sealed in an envelope. If the minister wants an honest vote, I am pointing out a simple method of greatly

improving the machinery for taking it. Surely he should adopt every safeguard which will tend to convince the people and the soldiers that they are being given an honest opportunity of voting and that when they have voted their votes will be counted and that everything will be right. I am not going to try to hold up the legislation, but I have not before had an opportunity to express my views. I have suggested concisely what, to my mind, would be the remedy for a great evil. I do not insinuate that all the officers he would appoint would be unfair; in fact I think a very large proportion would be fair, would be on their honour and would respect the honour reposed in them. But still, as it is framed, it leaves the suspicion, it leaves ground for argument all over the country, and if the Bill goes through as it is there will be no weapon in the hands of the opponents of the Government that will be as powerful and as potent as the holding up before an audience the provisions of this Military Votes Bill. I appeal to the minister to take this into consideration and see if we cannot agree on something which will be perfectly fair and will give every soldier an opportunity to cast his vote.

Mr. DOHERTY: As to making it possible to have a sufficient number of scrutineers, the Bill certainly gives every opportunity. The complaint is that we do not pay the scrutineers. But the scrutineers are similar to those who take part in elections in this country. Here is a Bill which enables each political party to create from among the soldiers who are on the spot as many scrutineers—while they are called deputy scrutineers they have all the powers of scrutineers—as they may think suitable or necessary, and the Bill confers upon the deputy scrutineers all the powers of an agent of a candidate under the Dominion Elections Act. Thus it cannot be suggested that, so far as a multitude of scrutineers is concerned, this Bill does not do everything that can be done. Then we are reduced simply to the question of payment of those deputy scrutineers. As I have said, they will, in the very nature of things, be men on the spot, and why should we provide payment for expenses of gentlemen who will not have to travel? Nobody would suggest that we should remunerate or pay the travelling expenses of scrutineers engaged in elections in Canada. The hon. gentleman overlooks the fact that these scrutineers are not to be sent from Canada to carry on the scrutineering operations. I think that, on reflection, he would not suggest that we would send into the camps a lot of civilians to do this duty. I would assume that each of the parties, looking after its legitimate interests, would provide a number of scrutineers at each camp, and especially at each base, where there are soldiers gathered.

Mr. GERMAN: How will it be possible for soldiers to obtain leave of absence from duty to act as scrutineers in a general election, perhaps for two or three days? They have other duties to perform.

Mr. DOHERTY: Of course, so far as it may be impossible consistently with their military duties, for these men to perform their duties as scrutineers, I have to admit that they will not be able to do so.

Mr. CARVELL: My hon. friend is trying to compare the condition of affairs in Canada with those in France. He must know that there is a difference. In Canada, if I am running as an opponent of the Government, I have just as much right at a poll as the Government man. I am on the ground, and I can have my agents, and if I fail to appoint my agents, my friends can appoint them. We know each other. and we know the people, and we have all the machinery for protecting ourselves. But when it comes to the army at the front, it is quite different. It may sound very well to say that they provide scrutineers, but the hon. minister knows that the army is under the control of the Government from the day a man is enlisted until he comes back and is discharged. The Government have every facility in the world in the matter. They have access to all the papers whereas I have not the faintest idea where my electors overseas are located. I suppose I have 1,500 electors from Canada over there. I could not tell to-day where twenty-five of them might happen to be. My opponent has all this information, or he could get it from the Government. He could get the name and number of every one of these soldiers, and he could send them literature and instructions. He could appoint his agents and could be represented by his agents at every camp.

Mr. BURNHAM: Does my hon. friend not think that hon. members on that side of the House, and we on this side could be trusted, under ordinary circumstances, in the affairs of life, and in matters of sport, to do the square thing? Why, then, cast a shadow of suspicion and send it through

the country, until the fame of the country fairly stinks in our nostrils? Why can the hon. gentleman not give the Government credit for some common honesty such as you find exhibited, say, in a hockey match?

Mr. CARVELL: I think I can trust my hon. friend to be fairly decent in an election. I do not know whether he would trust me or not. I do not know whether it makes very much difference, but if he thinks he can turn me away from my views on the matter by throwing mud——

Mr. BURNHAM: I would trust the hon. gentleman.

Mr. CARVELL: Thank you. All this talk about reverencing the soldier is claptrap. We are willing to give him every respect and give him an honest opportunity to cast his vote. but, for Heaven's sake, quit talking nonsense. There never is a time that the word "soldier" is mentioned in the House that somebody does not get up and try to do the highfalutin act, as my hon. friend behind me says—I was going to say the nonsensical act. Treat the soldier as a man, and stop trying to wave the flag; get away from all this nonsense and talk business. I say that we, as an opposition, have no opportunity whatever of reaching these people, and getting our agents and our machinery in motion to run an election. There is no use in denying the fact that a soldier is a human being, just the same as he was when he was a civilian in Canada.

Mr. EDWARDS: Sober or drunk?

Mr. CARVELL: He is a human being just the same.

Mr. EDWARDS: My hon. friend used to characterize him as "drunk." How does he characterize him now?

Mr. CARVELL: It is two years since I answered a question of my hon. friend, or held any communication with him, and I am not going to start it now. There is one man in this House who is beneath contempt.

Mr. EDWARDS: That is the hon. member from Carleton.

Mr. CARVELL: I do not propose to parley with him.

Mr. KYTE: The reports from Fredericton do not go well just now for the other side of the House.

[Mr. Burnham.]

Mr. CARVELL: The hon. gentleman can see the difficulty of being represented by scrutineers at all of these places, unless there is some special provision made for it. I am only asking the minister to provide that, wherever a poll is held, a scrutineer for both parties must be present, and not merely a scrutineer for one party. I ask that, because the hon. gentleman can see the almost impossibility of the Opposition candidate being represented, unless there is some provision made for an official recognition of the scrutineers. My hon. friend talks about the fairness of this, and says it is all done the same as in Canada, but if he will turn to section 8 he will find that this voting does not take place in the presence of the agent. Section 8 says:

(4) The deputy presiding officer shall permit any scrutineer or deputy scrutineer, or, in the absence of both, any one military elector, to be present at any poll, and to act thereat as agent on behalf of any party, with the powers of an agent of a candidate at a poll held under Part III.

If my hon. friend will refer to section 9, as to the manner of voting, he will see that. Subsection (c) provides that the voter shall answer under oath before the deputy presiding officer the questions set forth. Subsection (e) says:

(e) The ballot paper shall be marked in the presence of the deputy presiding officer, but in such manner as not to disclose to him or to any other person any marking thereon.

The presiding officer in all probability will be the colonel of the regiment, and this soldier is taken in, in the presence of the presiding officer, and must mark his vote in his presense, excepting that the presiding officer will turn his back to him.

Mr. DOHERTY: He is holding a poll at which the scrutineers must be present, and have all the rights of representatives of the candidates.

Mr. CARVELL: I cannot read that in section 9.

Mr. DOHERTY: It never occurred to my mind that, having said that these gentlemen might be present, and have all the rights of agents of the candidate, that it would be necessary, at each successive step, to say that they should be present. I take it for granted they are to be present at the holding of the poll, and we proceed to say what the presiding officer shall do at the holding of the poll. All this time these scrutineers are present, and if there is the slightest doubt about it, I will be happy to repeat it in every section.

Mr. CARVELL: Subsection 9 does not bear out the hon. minister's statement. Subsection 3 of section 8 reads:

(3) Where conditions make it reasonably possible, the deputy presiding officer shall give public notice of the time and place of an intended poll, and, in cases of polls to be held without Canada, a special notice to any person whose appointment as a scrutineer or deputy scrutineer has been communicated to him, with the request that he so notify.

I should like the minister to tell me how in the world is the Opposition candidate going to be able to notify the deputy returning officer? How would I know who was going to be the deputy returning officer in a poll in France? I have no means of knowing it.

Mr. DOHERTY: Does the hon. gentleman understand that it is a matter of appointing scrutineers to represent a particular candidate?

Mr. CARVELL: No, I do not think so. He is to represent the party.

Mr. DOHERTY: All these deputy scrutineers are to be appointed by three scrutineers, who are appointed on the nomination of the leader of the hon. gentleman's party.

Mr. CARVELL: I understand that.

Mr. DOHERTY: They could certainly ascertain the whereabouts of men whom they would be willing to trust as scrutineers. I would suppose that these three scrutineers would familiarize themselves with conditions in England and in France and ascertain where the different groups of men were and where services of deputy scrutineers would be required.

Mr. CARVELL: How can they do that? The voting is to commence the day after nomination.

Mr. DOHERTY: The provision is that the voting may begin the day after nomination, but the obligation is imposed upon every presiding officer who holds a poll to give these notices. Though the period in which voting can legally be done extends from the day after nomination until the polling day, the requirements of the statute with regard to the giving of notice must be complied with. It had not entered into my mind that in a place where the giving of notice was possible, a presiding officer would arrange for the holding of a poll the day after nomination so as to make the giving of notice impossible.

Mr. NESBITT: Why not strike out the words "where conditions make it reasonably possible"?

Mr. DOHERTY: Would hon. gentlemen desire that, if conditions made it impossible to give notice, the soldiers affected should be deprived of their vote?

Mr. NESBITT: I cannot imagine any condition that would make it impossible. They have twenty-eight days within which to vote.

Mr. DOHERTY: I do not know what our respective powers of imagination may be. These men to whom we desire to give the vote are living under conditions where they may be voters to-day and may have gone over the great divide by to-morrow.

Mr. MACDONALD: That does not apply in Canada or in England.

Mr. DOHERTY: In Canada or in England the conditions will always make the giving of notice reasonably possible.

Mr. MACDONALD: Why should the whole of the machinery provided by this section be established on the assumption that we are dealing with men who are voting in France? Why should not the men who are in Canada vote the same as private citizens do? Why should not the same thing apply in England? For each battalion of 1,000 men in England, five polls ought to be provided, at each of which 200 men could vote, under proper conditions and on a day to be fixed. The only place where you need to provide for special conditions is in France. Why word the provision in such a way that any presiding officer anywhere can dispense with notice?

Mr. DOHERTY: Everywhere in England it will be reasonably possible to do these things, and wherever it is reasonably possible all these things will be done.

Mr. MACDONALD: Why make any special rule for England?

Mr. DOHERTY: We have not made any special rule about England; we have made a general rule for everywhere.

Mr. CARVELL: My hon. friend or his agent on the other side must appoint deputy presiding officers. Why should there not be a scrutineer for each deputy presiding officer, that scrutineer to be present wherever the deputy presiding officer and his clerk hold a poll or accept a vote? If the minister makes provision to this effect and pays the scrutineers for their services, then you will have an honest poll. When the polling has been finished, all the documents should be sealed up and signed by the deputy presiding officer, his poll clerk and the two scrutineers. These

documents could then be sent on to Paris or London—and there would be no question whatever of unfairness. My hon. friend would not experience any difficulty in having standard scrutineers accompany each presiding officer. I suppose that any one presiding officer will not work more than a day or two, because he will be appointed in respect of a particular place; he will take the vote, and that will be the end of his duties. There is no necessity for subsection 5 of this section. My hon. friend talks about the men being taken away in a hurry; that upon a day set for polling the men might have to be sent off to the trenches; there might be an emergency. My hon. friend is conjuring up something as a justification for the insertion of this clause in the Bill. He knows that these men do not go to the trenches on ten minutes' notice. A regiment goes into the trenches; the men stay there for a certain number of days and then come back for a number of days' rest. There are twenty-eight days within which the vote may be taken. There is no reason why all these votes cannot be taken at the rest camps in the rear in the presence of scrutineers. There will be no occasion for the deputy presiding officer taking one, one hundred or one thousand votes in any other than the ordinary way, in the presence of the proper officials and of the scrutineers of both parties. My hon. friend knows also that the men do not go from England to France on a day's notice; they have at least a week's notice. Surely there can be some co-operation and confidences between the commanding officers and the general office in London as to the movements of the troops. The returning officers could be notified as to the movements of a certain corps or unit during the subsequent eight or ten days and the polling could be arranged accordingly. We are not trying to block my hon. friend's Bill; we are trying to make it workable, fair and reasonable, so that the people of the country as well as the soldiers themselves will realize that a fair and honest method of voting has been worked out for them.

Mr. DOHERTY: I am willing to assume that the statement with which the hon. gentleman concludes is perfectly true. I have not suggested that in any criticism or suggestion that has been made there was anything but the very best intentions. I might suggest that a little reciprocity on the subject would not do any harm.

[Mr. Carvell.]

However that may be, if the absence of that reciprocity is considered useful, I can stand it. Let us see just exactly where it is that we differ about these different details, and we will take first the question of the selection of scrutineers. The hon. gentleman will agree with me that scrutineers for each party will have to be appointed by that party. Now our law provides for that; it empowers each party, through its three chosen representatives, whose expenses we pay, to select scrutineers. They have perfect liberty of selection. If the hon. gentleman goes with me so far, then the difference between us turns exclusively upon the question whether the Government should provide payment for these scrutineers.

Mr. CARVELL: That is one difference.

Mr. DOHERTY: That is one difference. I do not know whether I made myself clear, but as I understand it, the scrutineers will require to be military electors, unless we are to send in to all these different military camps groups of civilians. We thought that so objectionable that with regard to the election officers themselves we have provided that they shall be military electors. That was also done in the previous Act.

Mr. CARVELL: Suppose the Opposition scrutineer should suggest that a certain sergeant should be appointed as scrutineer. Is there anything in this Bill that provides for that sergeant getting leave of absence for the purpose of acting? My hon. friend forgets the fact that he has all the machinery in his hands, and we have none in ours.

Mr. DOHERTY: I shall be glad to try and answer all the different questions, but it is rather disconcerting when one is answering one question to have another one put. I was trying to get down to the successive things on which we differ, and I said that the first thing on which we differed was the question whether the Government should pay these scrutineers. Now, unless we are going to upset very materially military operations, it must be anticipated that just as election officers themselves are military electors, the scrutineers will also be found among the military voters. During the preparation of this Bill it has been impressed upon me from the other side at the instance of military officers, that we should see to it that the officers appointed in connection with this election should be military men, whether privates or officers. I

think in all reason it must be agreed that the scrutineers will have to be found among the same body from which it has been found necessary to provide that the election officers shall be selected. If that is true, and they have to be appointed by these chosen representatives of the respective parties, it seems to me that we have done everything that could be done in the way of providing facilities for naming, whether we pay the scrutineers or not. Now what is the advantage in our paying them, unless it is going to be an encouragement to seeking scrutineers in one place who will have to move away to other places to perform their scrutineer duties? I do not think the hon. gentleman himself would anticipate that the military authorities would be willing to consent to that sort of thing.

Mr. CARVELL: Why not? That is the very question—this is an election.

Mr. DOHERTY: Because, even if this be an election, the proper carrying on of the military operations at the front does seem to me to be more important than this particular election.

Mr. CARVELL: A couple of dozen men cannot upset military operations at the front, where 100,000 men are employed. It is no use talking nonsense of that kind.

Mr. DOHERTY: The hon. member asks me a question, and when I try to answer him he says it is no use talking. What would he like me to do? If I sat down and was silent he would still complain. I am offering what I believe to be perfectly sound reasons. Of course, his judgment and mine may not agree, because I have not the advantage of possessing
5 p.m. the judgment of the hon. gentleman, and I am limited to offering such observations as in my judgment appear to be well founded and sound. It is a matter of intense humiliation to me that my views do not meet with his approval but hardly a disappointment because I did not anticipate very much else. The hon. gentleman quite understands that we shall not reach any helpful results by this sort of commentary on the observations that are made.

I take it that these men must be military men and it does not seem to me to be more reasonable to suggest that a scrutineer shall be provided from a camp, say in England, to go to France to be scrutineer in another camp, than it would be to suggest that here at home I should send to Halifax or Vancouver or some other place to find a scrutineer to help me in Ste. Anne's Division. As long as I am paying the expenses myself, and as long as I am dealing with people who are under no obligation superior to the obligations they may think they are under towards me, I am at perfect liberty to do that if I think proper. But we must always remember that we are carrying on an election among men who have very important duties to perform, and I ask the hon. gentleman himself, is it reasonable to suggest that when in any camp of any importance there are, as there must be, numerous friends and supporters of both parties in this country, we should make a provision in this Bill to make it possible, and even to encourage, one or other of the parties to go looking for scrutineers under conditions which would entail travelling expenses? I really think there is no fair ground for complaint in the fact that conditions are such as to make it necessary for the respective parties to select as their scrutineer people who will be on the ground and who, being on the ground, will of necessity not have to go to any expense in the performance of their duties.

Mr. COPP: How is the candidate going to know where his friends are who will act as scrutineers?

Mr. DOHERTY: I thought we all understood that we had not in contemplation the providing of scrutineers to represent particular candidates. I myself, notwithstanding what the hon. gentleman says of the immense opportunities that I have for knowledge of where my electors are, must say that I have never so far been able to find out where particular soldiers were. I have not had occasion to ask for them in connection with an election, but have had occasion to ask for them in connection with other things. Last evening the hon. member for Pictou asked whether we could not lay on the Table samples of lists showing, among other things, the whereabouts of soldiers. I asked the Minister of Militia today whether such lists were available and whether they could be had, and he seemed to be under the belief that there must be some misapprehension with regard to the description of the lists which were referred to. I myself have no knowledge of the existence of such information being available to anybody. But even supposing that the hon. member knew where some of his friends were located, this Bill does not pretend to make a provision whereby it will be possible for him to select a scrutineer for himself, and send him to where his friends are.

Of course he may, if he has that information, communicate with the representatives of his own party who have the nomination of scrutineers, and they will, no doubt, be very glad to meet his suggestion, but the Bill does not undertake to make precise provisions so that every candidate may have scrutineers at the poll. The best we can hope to obtain is adequate provision for representation of the respective parties at the poll.

Mr. GERMAN: This poll is to be kept open continuously from the morning after nomination day until eight o'clock of the day of the election, so that votes may be polled morning, noon or night? There is no intermission at all? They can vote at night as well as they can in the day?

Mr. DOHERTY: I am obliged to my hon. friend for the information; I did not know that.

Mr. GERMAN: I ask the Minister of Justice if it is so?

Mr. DOHERTY: The Bill contains the information, and the Bill does not provide for polls being open all day and all night for four weeks.

Mr. GERMAN: I simply asked the Minister of Justice for the information.

Mr. DOHERTY: And I am giving the information.

Mr. GERMAN: Under the provisions of the Bill, is it not permissible that the poll could be held at night, just as well as in the day-time?

Mr. DOHERTY: It is permissible, and there might be conditions when night would be the most suitable time for everybody.

Mr. GERMAN: I just wanted the information. I was not at all impertinent to the minister; I suppose we are entitled to the information.

Mr. DOHERTY: Certainly, and the hon. gentleman has the information now. As I understood his question, he wished to know if the Bill provided that the poll should be open morning, noon, and night for twenty-eight days. I have tried to answer him.

Mr. GERMAN: I stated that according to the wording of the Act, as I understand it, the poll could be kept open morning, noon, and night until eight o'clock of the day of the election.

Mr. DOHERTY: The hours at which the poll may be kept open are not prescribed. Within that period they may be kept open

at any time that military exigencies permit. I do not know whether the hon. gentleman would suggest that this should not be done. It seems to me we should leave it possible for polls to be held at such hours as may be most convenient under the particular circumstances as they arise.

Mr. DEVLIN: In the case of a man who might be on the point of leaving for France, is provision made under subsection 5 of section 8 to prevent him from voting again in France, or voting at two or three different points?

Mr. DOHERTY: The only possible safeguard we have against that, whether a man votes that way or in some other way, is that every voter is required to swear he has not previously voted in the course of the election; just as in this country the only precaution we have against a man voting more than once, if he can succeed in getting by the officers, is his oath that he has not previously voted.

Mr. CARVELL: The minister has not yet discussed the proposition I put up to him. Perhaps I may be allowed to place it before him again, and in doing so I wish to quote section 11, although we have not yet reached it, as indicating what I have in my mind. Section 11 at least presumes that a deputy presiding officer may hold more than one poll, or rather he may hold a poll, for instance, for the 25th Regiment to-day, for the 26th to-morrow, and for the 27th the day following. He may travel around from place to place. It also provides that when the bag is full he can seal it up, and start with another one. He does the sealing himself; it is not done by the scrutineer. Why could not the scrutineers appointed by the leader of the Opposition receive notice immediately upon the appointment of the deputy presiding officer that such and such an officer has been appointed. Then the scrutineer, or scrutineers, could be named to accompany that deputy presiding officer, and wherever the deputy presiding officer accepts a vote the scrutineer would have the right to be present. He would follow the deputy presiding officer around. There should be some direct provision that any man appointed as a scrutineer, or deputy scrutineer, should have leave of absence for the time necessary to attend to the voting. My hon. friend points out the difficulty of taking men away from their military duties, and I quite understand that difficulty, but at the same time we must remember this is an extraordinary condition we are providing for the soldiers. We

must realize it is something that will only happen, I hope, once in our lives, therefore we should make a special law to provide for a special case. I have no idea how many deputy presiding officers there might be, but if they are going to travel around and cover extensive territory, there will not be very many of them. If they only take a poll in their own regiment, the amount of time they will require is not considerable, and their pay would be a mere bagatelle. I would like to see a deputy scrutineer for every presiding officer, and I think no ballot should be deposited in the box except in the presence of that deputy scrutineer. If my hon. friend will accept that principle he will eliminate a great deal of discussion in regard to this Act, and he will get his Bill through, because we can easily work out the details. After the ballots have been taken in any particular place I would suggest that those ballots be sealed up in a package, and signed by the returning officer, the poll clerk and the scrutineers in such a way that the seals could not be broken without detection. If the minister will accept that I am sure in a very short time we can arrange for the wording of the changes and the Bill can go through.

Mr. DOHERTY: With regard to closing up the box immediately after the ballots have been taken, as compared with the system under which the box is to be finally closed and sealed only after it is full, or after the officer has taken all the ballots he contemplates taking, or it is possible for him to take, I may say these two systems formed the subject of discussion and consideration when we were engaged in preparing the Bill. When we come to the section dealing with that, I shall be glad to put before the committee the reasons which led us to the conclusion that this was the better way. If in the judgment of this committee the method suggested by my hon. friend is considered the better method, I shall be quite prepared to accept it. For the moment we might let that particular phase of the subject stand. With regard to the principle involved in connection with the scrutineers, as I understood it, my hon. friend suggested that every scrutineer should be notified of the names of the presiding officers?

Mr. CARVELL: What I suggested was that the scrutineers for each party—that is, the three scrutineers appointed by the leader of the Government and the three appointed by the leader of the Opposition—should be notified of the appointment of each deputy presiding officer, then they could arrange for scrutineers to represent each party.

Mr. DOHERTY: I certainly think he ought to have knowledge. When we provided for the appointment of these gentlemen and gave them all the rights of representatives of Canada, it did not suggest itself to my mind that they would not make inquiry. It must be remembered that the presiding officers named will not be very numerous. I would suppose that a dozen would be more than enough to take care of the work in England and France. I would have assumed that if I had been performing the duty of scrutineer on behalf of my party it would have been part of my business to make inquiry in regard to these deputy presiding officers. However, I have not the slightest objection to making it the duty of the presiding officers, as they appoint deputy presiding officers, to notify the representatives of each party. I have no objection to adding that provision to the Bill.

Mr. CARVELL: Go a little further and provide that no votes can be polled except in the presence of the scrutineers, and then we will eliminate a whole lot of discussion.

Mr. DOHERTY: I realize that there is force in a great deal of what the hon. gentleman says on the subject, but, on the other hand, I must ask myself: Are we going to create a situation in which the soldier will have to lose his vote because he does not happen to be at a formal poll?

Mr. CARVELL: What is the difference between that man and a man in Canada who is a ratepayer and a good citizen and who loses his vote on account of not complying with the conditions of the law?

Mr. DOHERTY: The man in Canada is his own master and he has his own time. He may have to make a sacrifice to get to the poll, and if he is ill he may not be able to get to the poll. If he is not detained by superior authority, or if he is not ordered to go elsewhere, he will have an opportunity of polling his vote. Then he is not exposed to the dangers to which the soldier is exposed. I do not want to indulge in any highfalutin, but there are some facts in connection with this matter which are not highfalutin.' Surely it is a more serious matter to say to a man who is called to go away to-morrow to face death.

You cannot vote because the poll is not to be held until the day after to-morrow, than it is to say that to the man at home who is pursuing his ordinary avocation, although I quite admit that the man at home may not live until the day after to-morrow.

Mr. CARVELL: He is entitled to his vote just the same.

Mr. DOHERTY: Here we have a condition of affairs where it is permissible to vote at any period within four weeks. Here is a man going out and taking the grave chance that he will not come back or that he will come back severely wounded and in very serious danger that he will not live until the day after to-morrow. That condition may exist and it does exist in a large number of cases. If under these circumstances it is possible to have that man's vote taken without undue risk of its giving rise to abuses we should provide means by which it could be taken otherwise than at a formal poll.

Mr. CARVELL: I entirely agree with that and I think that probably the minister has shown that there is some difference between the citizen and the ordinary soldier because the soldier is under orders.

Sir ROBERT BORDEN: Is that the only difference? Is he not performing a supreme service to the State?

Mr. CARVELL: Yes, we admit all that. We admit that the soldier is entitled to vote. We are giving him 28 days to record his vote. The minister states that a man is sent to the front and that he is liable to be killed. Whether he is liable to be killed or not—I do not think there is any argument at all—he is a soldier and therefore entitled to his vote. If the minister would only meet the suggestion he would get rid altogether of the objection. Why not make provision that the presiding officer shall notify the scrutineer because you have got the scrutineers any way?

Mr. DOHERTY: We have pretty well got together so far—

Mr. EDWARDS: We cannot hear as well as hon. gentlemen opposite can. Would the minister let us know how far he and the hon. gentleman have got together?

Mr. DOHERTY: We have got together to this extent that the hon. gentleman (Mr. Carvell) agrees with me that, if it be possible that a soldier's vote could be taken otherwise than at the formal poll under conditions which make it necessary without any undue opportunity for abuse, it would be desirable that the vote should be so taken. All that is provided in the Bill is that it should be done otherwise than at the formal poll. I am not seeking to conclude from that that I have met the thing upon which we are agreed because I quite understand the suggestion of the hon. member is that, though it might be taken otherwise than at a formal poll, it ought to be required that a scrutineer would be present.

Mr. CARVELL: That is the point.

Mr. DOHERTY: And to that end we ought to make provision for the appointment of sufficient scrutineers. I am quite prepared to supplement the provision for the appointment of a sufficient number of scrutineers by imposing expressly upon the presiding officer who names the deputies the obligation of giving notice to the general representative of each party so that the latter may be in a position to know who the deputy presiding officers are and so that they will be in a position to provide a scrutineer for each deputy presiding officer.

Mr. CARVELL: One step further; let the deputy presiding officer be required to notify the scrutineer that he is going to accept a vote.

Mr. DOHERTY: Now we have reached the real question as to what is possible. If that is possible, why, of course, it ought to be done. We have already made it the duty of the deputy presiding officer, wherever the conditions make it reasonably possible, to give notice of the poll that he is going to hold. Perhaps, technically, the taking of one vote is the holding of a poll, but I do not suggest that it should be so understood. It seems to me that we have gone as far as we can go when we make it possible for each party to provide that there should be a scrutineer for each deputy presiding officer and have made it the duty of the deputy presiding officer, wherever conditions make it possible, to notify that scrutineer that he is going to take a vote.

Mr. CARVELL: You leave a loophole there.

Mr. DOHERTY: I concede that there is a loophole there through which some fraud may come in; but it seems to me that we have to choose between a loophole through which fraud may come and saying to the soldier that under such circumstances he will of a certainty lose his vote.

Mr. CARVELL: How will he be deprived of his vote by providing that the scrutineer shall be notified before his vote is taken?

Mr. DOHERTY: If the conditions that necessitate taking his vote otherwise than at a formal poll arise, say, this morning and the scrutineer has been called away for the day from the camp—

Mr. CARVELL: He would appoint some one else in his place.

Mr. DOHERTY: If the hon. gentleman will be satisfied with a provision that wherever it is possible to get the scrutineer—

Mr. CARVELL: It is always possible.

Mr. DOHERTY—I think I have gone about as far as I can go to meet the hon. gentleman.

Mr. E. M. MACDONALD: My hon. friend is asking us to legislate for an impossible case. All our men are collected in camps, and when a presiding officer goes to camp to take the votes in it, his scrutineer will be with him in normal cases, and why should he not have him there?

Mr. DOHERTY: I am trying to make provision for the taking of a vote under conditions that will not occur every day and, with all respect, I do not think it reasonable to suggest that because you have a scrutineer appointed for the deputy presiding officer, that scrutineer will at all times be available. Now it is suggested that somebody else should replace him. I have no objection, in fact the provision for the holding of the poll provides for another military elector acting in the absence of the scrutineer, and I have no objection to make the requirement that wherever that thing could be done it should be done. Hon. gentlemen say there is never going to be a case where that will not be possible. Then I am not asking much for the soldier when I ask that that opportunity should be given to him, if the hon. gentleman should happen to be mistaken and such cases should arise.

Mr. CARVELL: If a scrutineer has been appointed on each side for each deputy returning officer—

Sir ROBERT BORDEN: In the Dominion Elections Act there is a provision that if there is no authorized representative of either one candidate or the other, electors can come forward and claim the right to act at the opening of the poll.

Mr. CARVELL: That same provision is here.

Sir ROBERT BORDEN: Why could you not provide that if there is no official scrutineer present the deputy returning officer should select two men who should each represent one side and have the votes taken in that way? I should like my hon. friend to bear in mind that, notwithstanding all he has said, these votes are to be polled under conditions that none of us can realize, not even those who have been at the front.

Mr. PUGSLEY: That would not be so in England.

Sir ROBERT BORDEN: I am speaking of the men at the front and of what the Minister of Justice has in mind, the polling of votes at the front. I should like to impress this: the holding of an election in France and in Great Britain, particularly in France, involves the necessity of most careful provisions, but we must ensure the fullest possible opportunity for voting and at the same time provide adequate safeguards. That is the object of the Dominion Elections Act. That is the object of these provisions, which take into account the holding of an election in a situation that is very difficult and much more complicated than anything we have in this country. I should like to impress upon the committee that we ought to try to make the provisions of the simplest possible character. They will have to be carried out by men whose minds for the most part—I am speaking of those at the front—are intent upon the sternest duty men could be called on to fulfil and who would not have the opportunity to sit down and study these provisions very attentively. Therefore these provisions should be of the simplest possible character. We should avoid complex provisions if we wish to have the election carried out so that men will have a full opportunity to vote and also that no technical questions will be raised with regard to it. It seems to me that the provision I have suggested, which is very much like that in the Dominion Elections Act, ought to be reasonably satisfactory. It may be that this provision will never be invoked or, on the contrary, it may be invoked very often; one condition or the other will depend on what is going on at the front, on the developments of warfare which will be taking place when this Act is put into operation. Imagine endeavouring to carry out this Bill in the midst of the awful conflict raging during the last four or five days on the outskirts of the town of Lens! I think any one of us, without exercising his imagination to the full, can realize how intently the minds of all engaged in that struggle would be absorbed in the duties immediately before them, and of how little concern they would think the strict fulfilment of

technical provisions of this Bill compared with the sterner duties facing them.

Mr. CARVELL: I quite agree with every word the Prime Minister has said, and I do not think that, with twenty-eight days in which to take an election vote, anybody would ever dream of trying to take the ballots of men engaged in a movement such as that around Lens to-day.

If the votes are to be taken at many different points you must have a returning officer and a clerk, who shall visit each point. I presume a vote would not be taken without the clerk, and why, then, should you not have the scrutineers also? My hon. friend says: "If there is nobody there to represent one party, the returning officer or deputy returning officer can appoint scrutineers. But supposing there is only one man present, how can you have scrutineers to represent a party? My hon. friend is too astute a lawyer not to be able to understand the proposition that is presented. These scrutineers are to be appointed by the Prime Minister and the leader of the Opposition. They are to be notified of the appointment of every deputy presiding officer, and then they have sufficient time in which to nominate a scrutineer for each deputy presiding officer, and the deputy presiding officer shall take votes without notifying the scrutineers. Of course, if he has notified them, and they do not come, it is their fault. That gives the scrutineer the opportunity, if he cannot be present, to appoint a substitute if notice is given. These things will then be worked out, and there will be a feeling that nothing which is unfair or underhand is being done. That is all I ask for. I think we should extend the section to include a private, so that, if necessary, a private could be appointed as a scrutineer. He should have permission to follow the presiding officer wherever he goes, and his travelling expenses should be paid. If you want to appoint a private, then appoint him, and give him leave of absence. No votes should be taken unless the scrutineers on both sides have been notified. They could make their own arrangements. If that is done a lot of the discussion will be obviated.

Mr. DOHERTY: We intend to provide that the presiding officer shall be notified of the appointment of the deputy presiding officer. I suggest, in view of what has been said, that the presence of the scrutineer or some representative of the candidate, should be provided for.

[Sir Robert Borden.]

Mr. CARVELL: Or proof given of his having been notified?

Mr. DOHERTY: I have drafted a proposed amendment that may perhaps be satisfactory, although the words may not be absolutely so. My proposed amendment reads:

> But such vote shall be so taken in the presence of the deputy scrutineer, or failing either or both, of a military elector or two military electors, who shall together with the deputy presiding officer sign upon the envelope in which the ballot is inserted a certificate that the vote was taken under this subsection, and the reasons which made it necessary.

Mr. KNOWLES: The whole principle of this Bill was accepted in former legislation. I have not discussed the different clauses, and I do not propose discussing them at any length. The minister seems to think the only purpose is to get the soldiers' vote, and that everything else must be sacrificed to that. He stands on the floor of this Chamber and says: Do I ask too much for the soldier; surely I am not asking too much for the soldier in this case? As I understand it, the minister is not here as a spokesman of the soldier, or to ask anything for the soldier. The duty of the Government to the soldier is to give him a square deal, without any politics, and it is perfectly right for the minister to endeavour to see that the soldier gets his rights. But the thing can be carried to extremes. I am as anxious as any person to see the soldiers get a vote, but, at the same time, the same reason that would make make me careful in regard to the abuse of the voting privileges of the civilian of the Dominion, would make me careful with regard to the voting privileges of the soldier. We have in the Dominion of Canada to-day many people who lose their franchise by some inadvertence, by an oversight or an accident of some kind, by their own fault it may be, but very often by somebody else's fault. A citizen's name is left off the list. He is not robbed of his franchise, but his name not appearing on the list, he is denied his suffrage, and there is no help for it. He has to do without it because the sacredness of our ballot must be protected, first, last, and always. We must remember that we are framing this legislation knowing the campaign is going to be like all campaigns a keen, hard fight. There is no need of shutting our eyes to the facts. The fact that we are at war does not make this election any different from other elections as far as bitter party feeling is concerned. War conditions may indeed intensify that feeling. We

must guard against fraud in these elections. The hon. gentleman from Peterborough said: Surely you can have enough confidence in us to let some of these loopholes stand there—although he did not use those words—because you can trust men, and not suspect them of doing anything underhand. I may say that all of our election legislation—I do not care which party placed it on the statute book—has been enacted simply because we do not trust men at election time. We have made provisions to prevent men being tricky in elections. That is why our election courts are invoked, and we are drawing this Act to-day, endeavouring to apply certain principles to the matter of giving the soldiers at the front the right to vote. We are granting them no favour and no privilege; we are extending to them that which is their right. I cannot agree with the argument of my hon. friend from Peterborough about playing the game. If there is a loophole at election time I fear it will be used, and will endeavour to do all that I can to oppose the passing of legislation that will leave such a loophole. Some men do not play the game. I spent over a week in the Macdonald by-election carried on by the present Government and I saw citizens there deprived of their freedom. These men were carried away where a habeas corpus could not reach them, in order that the hon. member who sits for Macdonald might adorn his seat in this House. The members of the present Government with few exceptions were the members of the Government at that time. I am not suggesting that one side is worse than the other in election times. Both sides have done diabolical things in elections in the Dominion of Canada. I say it is our duty to guard against every kind of fraud. The game is not played as the hon. gentleman from Peterborough suggests, and every precaution must be taken against fraud. I am against this section of the Bill, first, last, and always, and I do not think the minister can patch it up with an amendment so that the shot will be worth the powder. There will be so few cases where the legislation will be in the interests of the soldiers that it is not worth while passing it in the loose way we will be compelled to pass it.

The minister provides 28 days within which the men may cast their votes. As I understand it, four days is the ordinary period that the men spend in the trenches; they never stay there longer than eight days. During the period of 28 days the men would go to and come from the trenches three or four times in the ordinary course of events. We do not need this section at all. We must consider our duty to the Canadian people and to those people who are to administer the affairs of this country during the next term of Parliament; we must have that before us just as clearly as our desire to do justice to the soldiers. If among the 130,000 soldiers in France a small number should be unable to vote within the 28 days, we would regret it; but, having regard to all the conditions, I think that the legislation already proposed is sufficiently comprehensive. I say that not in any party sense; I have no fear of the soldiers' vote. But we must so frame this legislation as to guard against any possibility of wrong-doing under the circumstances that must prevail over there—circumstances which make it difficult, indeed, to take the votes of the soldiers, even under the best conditions.

Mr. EDWARDS: There is an obligation upon the Government to provide the necessary machinery to enable the soldiers to record their votes in this election. That, I think, is conceded by all. Beyond question, some soldiers will be unable to poll their votes in what is called the formal polls. Shall we give those soldiers no opportunity to poll their votes, or shall we endeavour to provide machinery whereby they may be enabled to do so? In the case of an election in Canada, the Government provides a man who is called the deputy returning officer, and recognizes the appointment of a man who is called a poll clerk. The duties of the poll clerk may be regarded as clerical, but the very fact that he is in the polling booth with the deputy returning officer is, to some extent, a safeguard in respect of the registering of the votes. Moreover, each party may be represented by a scrutineer. If there are two candidates, each has his scrutineer; if there are three candidates, there will be three scrutineers. It has never been regarded as an obligation upon the Government to provide scrutineers for the parties and to pay for their services, but these scrutineers have always been permitted to have a place in the polling booths; they have been recognized to that extent. If we go that far in this case, what fault can be found? The deputy returning officer will go to France or to some other place to take the votes which cannot be polled in the formal booths. The man who should go with him is the man who would be in the booth with him if the vote was taken in

the formal poll—that is, the poll clerk. In sending out those two men to take the vote, the Government is providing the same safeguard that is provided in any election held in Canada. As I understand the Bill, the parties interested may provide scrutineers who may be present when these votes are taken. The member for Carleton (Mr. Carvell) says that we should appoint two scrutineers, one to represent the Government and one to represent the Opposition. But does that cover the whole case? So far as this side of the House is concerned, one scrutineer would be sufficient, but would it be fair to appoint only one scrutineer to represent the Opposition? Surely no person would say that. If you represent by accredited scrutineers, paid by the Government, the various elements that constitute the Opposition, you impose upon the Government the necessity of sending with the deputy returning officer a small army of men to see that the vote is properly polled. For instance, there would be one scrutineer to represent the Government side; there would be another scrutineer to represent the Laurier Liberals, another to represent the anti-conscription Liberals and the Bourassa element, and a dozen—

Mr. KYTE: They will be represented by the Government.

Mr. GRAHAM: And there are the Patenaude Tories and the Paquet Tories.

Mr. EDWARDS: Hon. gentlemen seem to think that if the Government appointed two scrutineers and paid their travelling expenses, that would meet the case. But in order to represent all the various elements in the Opposition, at least fifteen or twenty scrutineers would be required.

Mr. NESBITT: We are satisfied with one; we are not asking for fifteen.

Mr. GRAHAM: One would be better than none.

Mr. EDWARDS: If you want one, the machinery is provided here the same as it is in an ordinary election. Any party will have the privilege of sending scrutineers to look after its own interests. The Government send the deputy returning officer and his poll clerk; they provide all the machinery that is provided in an ordinary election and all the usual safeguards. I do not think it is reasonable to ask that they should go further than that.

Mr. GRAHAM: In an ordinary election, the polling is done at a stated time and place; in this case provision is made that votes may be taken, not at a stated time and place. That is the difference.

Mr. KYTE: There is another vast difference. If any fraud is committed in connection with an election in Canada, those who commit the frauds can be prosecuted under our criminal law, but I scarcely think our criminal law could reach those who commit frauds in France in connection with the polling of votes.

Mr. PUGSLEY: My right hon. friend has called attention to the extraordinary conditions which exist in France. I quite admit that the conditions there are extraordinary, but this Bill provides the same machinery, and is equally defective in its safeguards, in respect to elections which may be taken outside of France as in France. The same provision applies to all elections held outside of Canada, wherever they may be held. I am told that conditions in England, so far as the taking of a vote is concerned, are substantially the same as conditions in Canada, and that there would not be the slightest difficulty in taking the vote there.

Mr. EDWARDS: What about those undergoing medical treatment who are not in bed, but are still not well enough to go to the poll?

Mr. PUGSLEY: A time could be set for taking the vote in the hospitals, the same as in Canada, where many soldiers are being treated in the hospitals. Practically the same condition of affairs exist in Great Britain as in Canada. I quite agree with the hon. member for Carleton that some provision should be made making it compulsory for notice to be given to one of the deputy scrutineers before any vote is taken. The Government, for reasons of its own, has insisted that the important positions—the men who control the elections, and gather in the votes—shall be partisan appointments. Yesterday those of us upon this side of the House urged as strongly as we could that that element of partisanship should be done away with by giving to the leader of the Opposition a voice in the appointments, but that has been refused. Now the very least that can be asked is that the deputy scrutineer shall have the opportunity always open to them—receiving ample notice of it—of accompanying the deputy presiding officers when the votes are being taken. I cannot for the life of me see why that most fair and reasonable proposition should not be acceded to.

At six o'clock the committee too recess.

After Recess.

The committee resumed at eight o'clock.

Mr. GRAHAM: Does the minister not think he ought to make provision for two parts in this Bill, one for the men not in France or not near the firing line, and the other for those who are liable to be called to the trenches at any moment? With conditions as they are in Canada, for instance, I see no reason why the soldiers in Canada could not poll their votes in one day just as the men in a city poll their votes in one day.

Mr. DOHERTY: That provision is in the Act.

Mr. GRAHAM: Under ordinary conditions, there are a large number of men, and with one deputy returning officer to so many voters the poll should be all taken in one day. I see no reason why the Elections Act as we have it in Canada could not apply to the soldiers' vote being taken in Canada.

Mr. DOHERTY: There are some things that would be different—the method of taking the vote, for instance. We have subjected the actual method of marking the ballot by the soldiers in Canada to the rules that prevail here; but we use this form of military ballot, and the reason for so doing is that in taking votes in camps in Canada you would be face to face with the same situation, that you cannot establish separate polls for the different constituencies without very great inconvenience.

Mr. MACDONALD: That is only in the poll.

Mr. DOHERTY: That is only in the poll. If my memory serves me right, we have, generally speaking, with regard to the provisions for marking the ballot, maintained the requirement that the soldier in Canada shall retire behind a screen to mark his ballot, differing in that from the method provided for overseas voting. As we go along it will be found that there are other material differences. In this Bill we have not made two separate parts, but we have made different provision as to the method of taking the ballots in Canada. Bearing in mind what was said this afternoon, I would be disposed to do what I mentioned to the hon. member for Carleton (Mr. Carvell), and that is to impose on the deputy presiding officer, when he takes any vote outside of the formal poll, to insist on taking it in the presence of the scrutineers, or failing that, in presence of a military elector or military electors. I desire to enact any precaution that can possibly be enacted and for that purpose am willing to provide that with regard to a ballot taken in that exceptional way the presiding officer taking it, and the scrutineers or military electors present, should join in signing the certificate to be endorsed upon the envelope, stating the fact that this particular ballot was taken in this exceptional way, and the reasons why that course was followed. I submit to the committee that with those additional safeguards it is not an unreasonable proposition. And I want to be in this respect, as in all respects, frank with the committee; that particular subsection was the subject of a good deal of discussion, and the conclusion I arrived at as the wisest course to follow was to insert the provision as it stood in the Bill, quite expecting that it would give rise to difference of opinion, and that suggestions would be made looking to a greater protection. I have had the advantage of listening to the suggestions made. At the moment, at all events, I do not feel that I can quite meet them all. But, as I indicated this afternoon, I would be prepared to meet them to the extent of making provision that when the presiding officer, appoints his deputy presiding officers, he should notify the scrutineer or scrutineers of each party of the appointment. In the second place, I would be prepared to add the provision that the military authorities shall, subject to non-interference with the performance of military duty, give every military elector the time and opportunity to vote; and also, subject to the same condition, that they should give to every military elector who may be named as deputy scrutineer time and opportunity to perform his duty. I would also be prepared to add the further precautions I have mentioned with regard to the taking of this particular kind of vote. I submit that to the committee as the result of the impression made upon my mind by what has been said, and as being what, at the moment, seems to me as far as it is possible to go without running the risk of depriving soldiers of the opportunity which they should have to vote.

Mr. GRAHAM: I cannot see why any difference should exist between the conditions under which the soldier should vote in Canada and the conditions under which an ordinary individual should vote. I think the Elections Act should apply to every case in Canada, and I do not see why it should not apply to the men in England as well. You have a large number of men together—

not as large as we have in our cities, yet the cities are divided up into—

Mr. ARTHURS: There are more voters in some camps than there are in some of the cities.

Mr. GRAHAM: It is only a question of having more polling booths, and more returning officers. None of the reasons which can be brought forward for special arrangements which are necessary at the front—and we all recognize conditions must be exceptional there—can be said to exist in the camps in Canada. I would go further and say that in Canada we ought to have the ordinary ballot, because the soldiers here will know the candidates. There is no reason why they should not.

Mr. STEVENS: Every camp probably will contain representatives from twenty, thirty, forty, or fifty different constituencies.

Mr. GRAHAM: Surely.

Mr. STEVENS: They are all mixed up. You would have to have ballots for almost all the constituencies in Canada. That is the outstanding difficulty.

Mr. GRAHAM: There is a good deal in what my hon. friend says. Perhaps that is a full reply to what I have been saying as to the ballots. It strikes me as a pretty good reason except that if I were in a camp and I came from the riding of South Renfrew I would know where South Renfrew was voting. I think a polling booth for each riding might be provided in the camp.

Mr. BRADBURY: You might have only one or two voters from each riding.

Mr. GRAHAM: No one would have so far to go in a Canadian camp as many electors in South Renfrew have to go on polling day. There is another consideration. Men in Canada are not in the position of the men in France, and I see no reason why the men should not be free on polling day for voting purposes. They should not be marched to the polls by their officers and kept under command, but they should go as free electors, every man as good as an officer on that day as far as his vote is concerned.

Mr. MORPHY: Is he not?

Mr. GRAHAM: We seem to be applying to the men in Canada and in England a set of conditions as if they were on strict military service and subject to this condition and that. Particularly in Canada there is no reason why the Government should not say that military law for that day shall be in a measure relaxed so that members of a company, or a battalion, will not feel that they are being taken to the polls to vote under their officer. Most men do not like to be driven to the polls, they would rather go themselves. Most soldiers will not like to be formed in regular formation and marched to the polls.

Mr. DOHERTY: There is nothing in this Act that requires them to be.

Mr. GRAHAM: There is nothing in this Act, but unless there is some provision that the men shall have that day, not the fifteen minutes or half hour to wait until the officer says: "I am ready and I am going to march you to the polls," that will be the result. Give them election day so that no officer can command them to do this or do that. Make them free so that every man will be at liberty to mark his ballot and so that he will feel that he is not in a military camp and not subject to military discipline on that day. In so far as he is an elector he should be free to go to the polls. The ordinary private in a company who depends on his officer for promotion and everything else, will feel, as long as he is not given freedom to go as a citizen and not a soldier to vote, that he is under some obligation to the commanding officer. The men should be freed entirely from that in Canada. In fact, a good many of the soldiers in Canada, where they are at a camp near home, might be allowed to go home and vote at their own polls. I am only pointing out what is the feeling of some of the soldiers with whom I have discussed this matter. It is like men who are dependent for employment on their employer; he would line them up and drive them to the polls. They do not like that; men like to go themselves without any restrictions or orders from anybody. I am not so sure but that the same thing would apply in England as well. But the principal thing that I wanted to draw attention to was that there are two separate conditions. This Bill ought, I repeat, to be in two parts, one part applying to the conditions existing at the front and the other part to wherever there are men in camps. It is no more trouble to take the vote in a camp than it is to take it in the city of Ottawa.

Mr. DOHERTY: When we come to deal with the special sections that deal with the things to be done under the Act we will then have an opportunity of considering

what objection there may be to the provisions made and how far it would be possible to assimilate them more closely to the ordinary system. Subsection 1 of section 8 provides that:

> Polls shall be held in such camps or other places, in Canada or elsewhere, as shall be assigned to the charge of presiding officers for the purposes of this Part.

I do not think that would be open to objection. Then the rest of the subsection applies to polls held without Canada. Subsection 2 is the one which makes it a duty to allow facilities to the deputy presiding officer and time and opportunity for the soldier to vote. It was to that section that I proposed to add a provision placing the obligation on the military authorities, subject to such action being consistent with the proper performance of military duties, to allow any military scrutineer time and opportunity to perform his duty.

Mr. LEMIEUX: Before six o'clock I asked one question about section 7. I understand that under that section there will be no deferred election in Canada?

Mr. DOHERTY: I moved an amendment this afternoon to except the Yukon Territory where it will be impossible to hold the election because the election list has to be prepared after the issue of the writs. A period of forty days is allowed for it, and if we were to try to bring in the Yukon Territory we would find that it would be impracticable.

Mr. LEMIEUX: Only in two ridings in Quebec, Chicoutimi and Gaspé, have the elections generally been deferred. There is no need now, with the railway in operation, to defer the election in Gaspé, and the election may be held on the same day. In the old days it was not possible.

Mr. DOHERTY: As we have four weeks between nomination and election day, I do not think there is any need for deferring the election in any place but the Yukon. If it were not for the long delay in preparing the list in the Yukon, that territory would be included also, but we are forced to make an exception of it.

Mr. LEMIEUX: If it were winter in Gaspé, you would have to take advantage of the section of the Dominion Elections Act which provides that the proclamation shall be wired, because there is no communication in winter, unless it is fair weather, between the mainland and the Magdalen Islands. But, that would be the only exception.

Mr. DOHERTY: We went into the provisions of the Act and it seemed fairly clear that, in view of the long interval between nomination and election, there would be no substantial difficulty anywhere except in the Yukon.

Mr. OLIVER: If the necessary instructions and information can be transmitted by wire, I do not know why the Yukon should be delayed.

Mr. DOHERTY: The principal reason is that in the Yukon the list is prepared after the issue of the writ for the election, and a period of forty days is allowed for the preparation of that list. The four weeks between nomination and election would not be sufficient for the preparation of the list. It seemed to us that the balance of convenience was in favour of deferring the election in the Yukon rather than delaying the elections all through Canada or devising a new system for the holding of elections in the Yukon.

Mr. MEDERIC MARTIN (St. Mary's, Montreal) (translation): Mr. Chairman, can the hon. minister explain why, under section 7 of the Bill, elections shall be held a month after nomination? What is the reason of that change? Formerly there were only eight intervening days. What are we aiming at?

Mr. DOHERTY: It is to make it possible for the soldiers' votes, specially overseas, to be taken before the polls are closed here in Canada.

It would be undesirable, I understand, that an election should first be held in Canada and the result of that election be given out, and that we should then proceed in Europe to take the votes of the soldiers who, under those circumstances, would vote knowing the result in Canada. If we cannot hold all the elections on the same day the elections at all events will be brought to a close on the same day on this side of the ocean as on the other side.

Mr. MARTIN: The procedure could be reversed. Nomination day on the other side might be fixed three weeks before. It might be better because in large centres, elections will be awfully expensive. I do not know whether it would be possible or not.

Mr. DOHERTY: It would hardly be desirable that nomination day on the other side should occur three weeks before nomination day in Canada, that candidates

should be nominated overseas and that three weeks after they should be nominated here.

Mr. OLIVER: Reverting to the Yukon, that territory can be reached by wire as quickly as Edmonton, and the different outlying points in the Yukon are at no greater distance from telegraph offices than many points in the prairie provinces or British Columbia. If it were desired to hold all the elections on one day, with an interval of four weeks between nomination and election, I can see no reason, with my knowledge of the Yukon, why the election should not be held there at the same time as in other constituencies. The lists in Alberta and Saskatchewan are prepared exactly as they are in the Yukon.

Mr. DOHERTY: The machinery for the holding of the election in the Yukon is especially devised for that territory. Provision is made for the appointment of an enumerator in each polling subdivision to make a list of electors, and thirty days is allowed for the making of the list. All of this has to be completed fifteen days before the polling day. As I said, we decided it was more convenient to defer this election than to delay all the elections in Canada or to make new provisions for all of this procedure in the Yukon.

Mr. OLIVER: The condition in regard to the preparation of the lists is, in effect, exactly the same in the Yukon as in Saskatchewan and Alberta, and there is no reason why what is done in Saskatchewan and Alberta in the limit of time permitted by the Act should not be done in the Yukon, the hon. minister rests on the point that it would take a week by mail to reach Dawson. That settles it, but I would think proceedings could be taken on information by wire and, in that case, the work would start at Dawson as quickly as it would at Edmonton. There is no greater area to cover, and no populated points at which it would be necessary to have a polling place at greater distances from railroad communication than in the West Edmonton district. The Vermilion settlement on the Peace river is not less than 250 miles from the nearest rail and telegraph points and there would be no difficulty in meeting the conditions, as far as that point is concerned. I think there would be no difficulty in meeting conditions in the Yukon. I do not wish to press the point, but I have some knowledge of the country and of the conditions the minister speaks of, and I do not wish to have the change he proposes made when I am present without my stating the facts, as I understand them.

Mr. DOHERTY: I am not making a change. I am leaving the law as it was in reference to the Yukon. I am making a change in this way, that we are making the dates in all the other constituencies in Canada coincide. Every reason which has been advanced in favour of a deferred election in the Yukon stands good to-day, as I have endeavoured to point out. Things that have to be done after the issue of the writ necessitate a much later date for nomination in that constituency than in other portions of Canada. In all constituencies in Canada, except the Yukon, there must be eight days' notice of poll, but it is not considered unreasonable that in the Yukon two weeks' notice must be given because you have a large unsettled territory through which the news must be published. Before arriving at a conclusion to except the Yukon from the general rule, I made a careful examination of what the result would be, and it has led me to the conclusion I have stated. I might also observe that this section, providing that all the elections shall be held on the same day and excepting the Yukon, has already been passed.

Mr. OLIVER: I thought the hon. gentleman spoke of an amendment providing for postponement in the case of the Yukon.

Mr. DOHERTY: No, this Bill as originally drawn provided for all the elections being held on the same day, and then different matters were pointed out, and the change was made.

Mr. MURPHY: The hon. gentleman was interrupted when explaining some of the subsections of section 8 and indicating an amendment he proposed to introduce with respect thereto. I would like to add my request to that already made by the hon. member for South Renfrew (Mr. Graham) as to the advisability of relaxing military discipline on polling day, with respect to the soldiers who are in camp in Canada. The objection made by my hon. friend from Vancouver (Mr. Stevens) as to the difficulty of using the ordinary ballot in these camps in Canada has not, in my judgment, such weight as to preclude the adoption of that ballot, inasmuch as twenty-eight days are to elapse between nomination and polling day. There would, first of all, be no difficulty on the score of time. As to the other feature of the matter—that there would be in each camp representatives from thirty to forty constituencies—that is a matter

which could be ascertained well in advance of polling day, and suitable arrangements could be made to meet a condition of that kind. Therefore, in my judgment, it would be a decided advantage, first, to relax military discipline on polling day in these camps in Canada, and, second, to provide the soldiers in camps with the ordinary ballot instead of the ballot proposed under this Act.

Mr. DOHERTY: With regard to the suggestion that we should abolish military discipline for the day—

Mr. MURPHY: I said "relax."

Mr. DOHERTY: I used the word "abolish" because that was the impression I had in my mind. However, I think everybody would agree with me that it would not be advisable to have a day in which there would be thousands of men—

Mr. MURPHY: I beg the hon. gentleman's pardon. I have in mind the amendment my hon. friend approved of a couple of years ago, when we were both members of the committee to which the Elections Act was referred, and by which we allowed working men certain hours during the day to vote, so that they would have those hours as of right, and not by favour from their employers.

Mr. DOHERTY: We have not specified the number of hours, but we have put upon the military authorities the imperative duty of affording every military elector time and opportunity to vote. Until the hon. gentleman from South Renfrew suggested it, it had not occurred to me that the battalions would be paraded and marched up to vote as battalions. I quite conceive it would not be an impossible thing, but the better convenience would be served by letting each man record his own vote at some reasonable time.

Mr. GRAHAM: That is my idea.

Mr. DOHERTY: There is no provision requiring them to be paraded. The provision is to compel the officer to allow them time and opportunity to vote. If we were to take a period of two hours, it might, perhaps, be a serious interference with the routine of the battalions, and would not, at all events, be necessary. There are times when we have had camps as large as 30,000. It would be pretty difficult to have 30,000 men vote in two hours. I do not think we could anticipate as many as that. If we have to make a fixed period of time we will allow a great deal more time than would be considered necessary, rather than run the risk of not allowing quite enough time. If the individual soldier is to be allowed to go by himself and vote, ten or fifteen minutes might be ample. I am not a military man, and I do not know to what extent two hours of enforced idleness for one day in a camp would be undesirable, but I fancy it would be an unnecessary interference with the conduct of the camp operations, and while I would rather see each man go by himself and vote, still, if a battalion was marched up, and the men allowed to go in one after another and mark their ballots, I cannot quite see how the vote would be influenced.

Mr. GRAHAM: I leave it to the hon. gentleman. He and I are of the same nationality. If I were a private in a company, and my officer paraded me to go and vote, I would feel that I was under the officer all the time, as I would be. My idea is that, during the time of voting, the private is just as good a man as the officer. He ought to feel he is polling a vote as a citizen, and not that he is subject to the command "Eyes right," or "Eyes front," or subject to any orders at all.

I think that he would feel a greater degree of freedom if he was allowed to go to the poll as a citizen, not under orders. If the officers decided to allow so much time to each battalion for purposes of voting, then the men should be allowed to vote as individuals, not particularly as soldiers. I object to their being marched up to the poll under orders and asked individually to step out of the ranks to vote and then step back again.

Mr. ARTHURS: Under ordinary circumstances it would not be possible to march a battalion up so that the men might vote. In the first place, in the ordinary poll held in Canada only about 100 or 150 votes could be cast in a day. It would take a considerable length of time to enable all the members of a battalion to vote. Under this Act every soldier has to answer certain questions and to take an oath, the form of which is found on the back of the ballot paper. It would be impossible, therefore, for the officer in command to take that proceeding. The proper proceeding, I should think, would be to allow certain platoons freedom for the afternoon or for a certain portion of the day, during which period they could do their voting. I think we can trust the officers to see that this is done in a reasonable way. In camps in Canada the military duties are usually

over quite early in the afternoon. Under this Act the polls will be open until 8 p.m.; that would give a great many men an opportunity of voting. I do not see that there would be such difficulty as my hon. friend suggests.

Mr. GRAHAM: Naturally, an officer is a very superior person on account of his position. Suppose that at 8 a.m. the private is under orders to his officer; if when he comes to cast his vote he is not absolutely released from duty, he feels that he is going to the polls by order. The hon. gentleman (Mr. Arthurs) agrees with me that that difficulty should be obviated. It ought to be made clear in the statute that it is the duty of the officers to allow the soldiers to be released from duty for a certain length of time in order that they may vote. They should vote not as soldiers but as free citizens.

Mr. DOHERTY: There is a distinction between a soldier and a free citizen?

Mr. GRAHAM: I mean, as an elector, not under orders.

Mr. DOHERTY: We can, if we devote our minds to it, regulate every step that is to be taken on election day by the soldiers and by the officers. I do submit, however, that we might leave something to the common sense of the people concerned, both soldiers and officers.

Mr. GRAHAM: But you do not leave it to the soldiers. The soldier has no mind of his own unless he is released from duty during the day or at the time of voting.

Mr. DOHERTY: I am not so sure that the soldier would resent being marched to the poll for the purpose of casting his vote. I have seen the soldiers paraded to the paymaster's office. They went in one after the other, and they did not refuse the money because they had been taken there under orders. I would suggest to the member for South Renfrew that perhaps such a proceeding would work out to his own advantage, because the soldiers might be naturally inclined to vote against the authority that subjected them to it.

Mr. GRAHAM: I would not want that advantage.

Mr. DOHERTY: Seriously, I want to meet as far as I can any suggestion that may be useful. It has been suggested that we have been somewhat fanciful in respect of the possible difficulties of soldiers on the other side of the ocean voting. Possibly it is somewhat fanciful to suggest that it would make any difference to the soldier whether he was paraded to the poll or not. Our experienced military friend (Mr. Arthurs) points out the improbability of this happening. I do not think that we are running very great risk of wrong being done to anybody. Whatever the officers do will be done under the eye, as it were, of the public in Canada; they will be subject to criticism if they do not give every man fair opportunity to vote. I really think that we can safely take that risk. If we cannot take it, we shall have to make such detailed provisions in this Act that it will take us a very long time indeed to have it passed.

Mr. GRAHAM: I think I could put it in two lines.

Mr. DOHERTY: The hon. gentleman might deal with this particular suggestion in two lines, but if we adopt the principle it will take a good many lines to meet all the suggestions in respect to detail that have been made.

Mr. GRAHAM: The men who are in the military camps are absolutely under military rule, and unless under this legislation they are relieved from that authority when they come to poll their votes, there is no guarantee that they will be so relieved. My hon. friend does not leave much to the common sense of officials where their duties are prescribed by statute. The privileges that these men will be called upon to exercise on this particular day as citizens of Canada will be more important than the work that the officer might want them to do in the military camps.

Mr. ARTHURS: It would not be possible to relax discipline and allow all the men off for one day in any military camp. That is absolutely out of the question.

Mr. GRAHAM: I defer to my hon. friend's view, but I still hold my own. I have been in these military camps; very many men obtain leave of absence.

Mr. ARTHURS: You suggested that they should all be let off.

Mr. GRAHAM: I submit that it could be done. I was arguing that the duty appertaining to polling day was paramount to the military duty of that day. It is in the interests of the men themselves that they shall be absolutely free from military control on that occasion; that they shall feel that they are marking their ballots as free citizens of Canada. I am not suggesting

that the officers would try to control their votes; that is not my argument. These men will be voting not as soldiers, but as citizens of this country, with all the interests of Canada at heart. There ought to be a specific provision that they shall be allowed to vote in that way. The minister says that they will be allowed to do that by the officers; then why not set it out specifically in the statute? I have as much confidence in the common sense of the officers as anybody has, but if I were a private in the ranks I would feel that so far as the voting was concerned I was as good a man as the commanding officer, and if I were paraded here or there or anywhere else to vote I should feel that I was being led to the poll.

Mr. MORPHY: We have considered this section for quite a long time, and the longer we sit on it the farther we get, apparently, from passing it. I do not think that I have seen any one in the House or out of it who can blow hot and cold more successfully than the member for South Renfrew (Mr. Graham).

Mr. GRAHAM: That is quite an art.

Mr. MORPHY: A moment ago he said that he objected to soldiers being driven by officers to the polls.

Mr. GRAHAM: I said paraded. I never used the word "driven."

Mr. MORPHY: I do not think there is any difference in view of the way the hon. gentleman said it. However, Hansard will decide. Whatever the hon. gentleman said, he intended to impute improper conduct to the officers of the forces against the soldier. He insinuated that the officer had the soldier under his hand when he should not have. That is an insinuation that I think ought to be resented on the floor of this House on behalf of the officers of this country. The hon. gentleman also said that the privates were dependent on
9 p.m. the officers, and under an obligation to them. I think that also ought to be resented and refuted. Personally, I think that if any officer in any camp in Canada attempted to interfere with the right of our Canadian citizen-soldier to exercise his franchise, instead of the soldier being driven to the poll, the officer would be driven out of the camp.

Mr. GRAHAM: That would be mutiny.

Mr. MORPHY: I have a higher regard for the Canadian soldier than to imagine he would stand for treatment of that kind. The hon. gentleman is simply conjuring up imaginary difficulties. What authority has he for suggesting that any of these things are likely to happen? There is no foundation for his remarks at all. He is simply supposing that things will happen that never have happened. He is suggesting that the Canadian citizen-soldier is going to be simply a serf under the absolute control of his officers.

Mr. GRAHAM: I know one soldier who was flogged at Borden.

Mr. MORPHY: And that one incident is sufficient basis for my hon. friend to make a wholesale attack upon the officers in our forces.

Mr. GRAHAM: Nonsense. I did not do anything of the kind.

Mr. MORPHY: And he suggests that our soldiers would accept servility, and that they would not have the manhood to resent interference with their freedom. He said the men should be freed from that—freed from something they have never been subjected to. In that connection he argued that employers of labour herded their men —another insult to the labouring men of this country. I know that the labouring men of this country will not be herded by their employers, and I put the soldier on an equal plane with the labouring man.

Mr. GRAHAM: Hear, hear.

Mr. MORPHY: The hon. member says "hear, hear". After saying all these things he says "I have every confidence in the officers". That is what I call blowing hot and cold with a vengeance. I think the Minister of Justice is to be commended for his patience. If ever a man was patient under insidious attacks and puerile attempts to waste the time of the House, my hon. friend the Minister of Justice is that man. I think it is time we made a little progress with this Bill.

Mr. GRAHAM: I am glad that my hon. friend has had the opportunity of making a real political speech, and I suppose he will now have it distributed amongst the gentlemen in his constituency and elsewhere, and perhaps have it published in the Orange Sentinel.

Mr. W. H. BENNETT: Not a bad paper.

Mr. GRAHAM: No, I get it and read it regularly. There is not a man in this House but knows that I said nothing in disparagement of the workingman of Can-

ada. I said that he would resent an employer doing any such thing. Nor did I say anything derogatory of the officers. I made it plain that I did not mean to say the officers would do anything wrong. but that the soldier ought to be free from military control at the time he voted. I submit that that is a fair proposition, which can be discussed without any pyrotechnics. and one which the men in the ranks will agree with; and I know something of their feeling.

Mr. CARVELL: I do not know whether the hon. member for North Perth (Mr. Morphy) was hitting at me or not, and I do not know that I need bother my head much about it anyway. I suppose I am a member of this Parliament, and I am not aware that free speech has been abolished yet. I do not think there has been any undue criticism of this Bill—at least not by me.

Mr. GRAHAM: This is practically the first time I have spoken on the Bill.

Mr. CARVELL: There are some features of this Bill that are certainly very objectionable to me, and I believe they are also objectionable to a great many members on both sides of the House. There are three features to which I object. But before taking them up, I think that when hon. gentlemen make suggestions the Government ought to say either "We will meet you and have this thing arranged if possible," or, "We won't." We should then know where we were at. Taking the points to which I object in the order in which they appear in the Bill, subsection 3 of section 3 provides that a man who was a non-resident of Canada at the time of his enlistment can apply his vote to any constituency he may indicate. That is bad in principle. I am going to take the chance of being called a disloyal citizen by my hon. friend from North Perth or some one else—because whenever we talk about soldiers in this House somebody on the other side tells us we are disloyal—and say that I have very grave doubts whether the people of this country feel that a man who is not a resident of Canada should have the right to vote. Let them call that disloyal if they want to; that is what I say. To my certain knowledge in one regiment in this country to-day there are over 1,000 Americans who do not know anything about our laws and the questions upon which they may be called upon to vote. These men are entitled to the very highest respect for having enlisted, but I am not sure that they ought to have the vote. But if Parliament decides that they should have the vote, surely they should not have the right to apply their vote in any constituency they please. They ought not to be allowed to play the game as somebody wants them to play it. I do not know to what extent it could be done, but I do know that if any officer were so disposed, this provision might give rise to very grave abuses. I do not want to mention the name of the regiment, but I repeat that in one regiment in Canada to-day there are a thousand Americans, or a thousand in perhaps two regiments, in the same place in Canada. If these men are to be given the right to vote, some provision should be made as to where they shall vote. They should not be allowed to distribute their votes as they see fit.

The second thing to which I object—and I think I am voicing the sentiments of hon. gentlemen around me—is that provision of section 8, which gives an officer the right to poll a vote without an agent or representative of both sides being present when the vote is being polled. I am putting it in pretty broad language, but that is the substance of my objection. This could easily be avoided. A provision could easily be framed to safeguard the secrecy and honesty of the ballot. I admit that holding an election at the front is not like holding an election in Canada. In connection with that, I do not believe that any officer—I do not care who he may be, whether he is the most upright man in the world—should be allowed to carry around with him a bag of votes open to the inspection of himself and anybody else for weeks before it is sealed and sent to its proper destination.

That bag should be sealed up at the close of the polling every day, and either the bag itself should be sealed up by three or four men representing both parties, only to be opened when those same persons or representatives of the same persons are present, or the ballots for the one day's proceedings should be put into a package, sealed up, marked by the different parties and forwarded to destination. That comes under section 11. The third proposition to which I object is the provision that this Bill shall apply to the voting in Canada. I am speaking now to the Minister of Justice, who was a member of the subcommittee, of which my hon. friend from Russell (Mr. Murphy), my hon. friend from Halifax (Mr. A. K. Maclean), my hon. friend from Hastings (Mr. Northrup), my hon. friend from Kent, New Brunswick (Mr.

Robidoux), my hon. friend from Calgary (Mr. R. B. Bennett) and myself, were members. We went over this thing thoroughly, and I think we gave it as fair consideration as possible. As a result of our deliberations, we worked out a scheme in 1915, which is found in chapter 11 of the statutes of that year. A voters' list was provided for the soldiers in Canada and returning officers were appointed. They were governed by the election laws of Canada. Elections were held the same day as the other elections in Canada, and there was no trouble whatever. Why the Government wants to import an entirely new condition of affairs into the voting in Canada, and give a month's time for the polling of votes, is something I cannot understand.

Mr. DOHERTY: Will my hon. friend allow me? Under this Bill all the soldiers in Canada are to vote on one day. There will be only one election day. In that respect the present Bill does not differ from the old one. We had some discussion on this question before the hon. gentleman came in, and I pointed out that I thought the greatest substantial difference between the way the votes are taken in Canada with regard to the ordinary individual and the way they will be taken with regard to the soldier in this country consists in the fact that the soldier in this country is to use the form of ballot as provided by this Act. We went over the provisions of the old Act which have been referred to and after careful consideration and giving the best thought we could give as to how it would work out, we decided—of course may have reached a mistaken conclusion—that the endeavour to provide separate ballot boxes for 100, or 200, or 230 different polls, and to take the vote with the ballots appropriate under the ordinary system of holding of polls by constituencies, would entail a great deal of trouble, and would involve a great deal of confusion. It must also be remembered that under the old Act it was contemplated that all of the votes taken in Canada, as well as those taken on the other side. for a constituency should be so collected as to make it possible to send them to the returning officer in the constituency in which the election was being held, and to have them counted. When we abandoned the idea that it was possible to have the overseas votes assorted and sent in that way to the particular constituencies and counted the same evening, it seemed to us that we had to choose between assimilating the soldiers' vote in a certain degree without distinction of places, and endeavouring absolutely to assimilate the vote in Canada to the general system of voting. In my judgment, the practical difference, as I have already said, consists only in this, that the ballot is to be the form of the military ballot and to be deposited in the envelopes, and left to be assorted afterwards. I think it can hardly be disputed that it will add a great deal to the convenience of the taking of the votes, if the votes of the soldiers as they present themselves can be taken without distinction between their constituencies, leaving the assortment to take place afterwards and by officers of the same class as is provided with regard to overseas voting, but under the direction of the general returning officer here. It seems to me we get a simpler and more expeditious way of getting the votes taken in the camp, and one which will give rise to less possible confusion, and be likely to create less interruption in the carrying on of the operations of the camp than would be the result if we have to try to provide separate polling arrangements for every constituency in the Dominion. As regards the method of marking the ballot, the retiring behind the screen and the secrecy of the ballot, we have preserved in Canada the requirements made for the general voting in Canada; and speaking in a general way I do not think there is a material difference between the system of the soldier voting in Canada and the other electors voting, save that the soldier does not vote in a poll set aside for a particular constituency, and does not use the ballot provided for a particular constituency. If my hon. friend had been here this afternoon, he would have heard the discussion that took place with regard to the means provided by this Act in order to enable every soldier elector to know the candidates in his particular constituency. I think those provisions are ample. They have been improved by an amendment added at the suggestion of the hon. member for Pictou (Mr. Macdonald), making it quite clear that every soldier shall have ample opportunity of knowing the candidates in his particular constituency, and this Bill affords him perfect opportunity to vote for one or other of those candidates.

Mr. CARVELL: Will the minister pardon me? I did not read carefully the provisions of section 7. I see now that the voting in Canada shall all take place on the same day. I am rather inclined to agree with the minister that so far as the actual voting is concerned the provisions of this

Act should prevail, because we could not have, perhaps, a dozen different ballot boxes in the same regiment. I am only trying to see if we cannot arrive at some means by which we can shorten this discussion and get the Bill through. So far as I am concerned, I do not like Ottawa sufficiently well to remain here until October 7, if I can help it.

Mr. DOHERTY: Perhaps this suggestion might help in attaining the result. We have had a pretty thorough discussion of the sections, as far as we have gone—and I do not by any means wish to suppress further suggestions with regard to them—and I think we shall attain a better result if we let this section stand, and take up the next one, with a view to hearing what may be said on it, then, let that section stand, and so far as suggestions are made the Government would be in a position to take them all together.

Mr. CARVELL: I think that is fair.

Mr. DOHERTY: We can then see what suggestions can be met, and what suggestions we are not in a position to accept. In that way we would reach a practical result, which, I appreciate, is the wish of every one.

Mr. GERMAN: I wish to say a word with regard to section 8 before it stands at the suggestion of the minister. Outside of Canada the only three places in which any number of soldiers' votes will be polled will be England, France and Bermuda. I cannot see why the vote taken in England should not be taken exactly in the same way as it is in Canada. The soldiers in England will not be more considerably distributed than in Canada. They will be held in large numbers in the several camps in different sections of England. There is no reason why all the votes in England should not be polled on the same day.

Mr. SCHAFFNER: What about all the hospitals in England in which there will be soldiers?

Mr. GERMAN: I do not know why they should not be polled in the hospitals on the same day. I think it would be better to poll them on one day rather than on several days in the hospitals. Surely the hospital officials will not want deputy returning officers coming to the hospitals day after day. In all the training camps in England it would surely be more convenient for the military authorities, and for the soldiers too, that all the votes should be polled on one day under the protection of the scrutineers. In Bermuda, necessarily, the votes will all be polled on one day. There is no necessity of having different days and this great stretch of time for polling. The only place where this question of mystery, with which the Minister of Justice seems to surround the voting, will have any application will be France. There is only one place in France where the votes can be taken. The soldiers will either be on the firing line, in the four weeks between nomination day and election day, or in the reserve line. The Canadian troops, I would suppose, hold twenty-five or thirty miles of trenches.

Mr. A. K. MACLEAN: Twelve miles.

Mr. GERMAN: They hold twelve miles of trenches. During these four weeks the soldiers may be in the trenches, and on the firing line, where no voting can be done, and they can only vote when they return to the rest places or reserves. All these voters in France, or the bulk of them, will be on rest or reserve line extending over a space of about 12 miles. What difficulty is there in having their vote taken on one or two days? Let the returning officer fix the days. Let the scrutineers be present when the ballots are marked and placed in the box, and, when they are placed in the box, let the box be sealed in the same manner as in Canada. I cannot see that there is any difficulty or mystery surrounding this question of the soldiers voting. It looks, from the standpoint of the layman, as if it would be an exceedingly easy matter when it comes down to the mere work of recording the votes. I am inclined to insist that the vote should be polled in France on certain days to be fixed by the deputy presiding officers to suit the convenience of the military authorities; that when these votes are polled they shall be polled in the presence of scrutineers, who are there not as scrutineers for candidates but as scrutineers for parties; that in the presence of the scrutineers the ballots shall be marked and placed in envelopes; that the envelopes, at the end of the day, shall be placed in the ballot box; that the ballot box shall be sealed, and that the deputy returning officer shall not be permitted to carry the ballot box around in his possession for a week half full of ballots. Under the section he can open or close the poll when he likes, early in the morning or at midnight, in short, at any hour of the day or night, or at any time to suit the

exigencies of the military authorities. That is bad for the soldiers themselves. The soldiers will have a desire to feel convinced that their ballots have been properly marked, that they will reach the goal for which they are intended, and that the person—Government or Opposition candidate—for whom they have voted will receive the just and true recompense of those votes.

Sir ROBERT BORDEN: My hon. friend (Mr. German) has given an illustration of how simple it is for us, comfortably seated in this Chamber, to arrange for the expeditious taking of the votes overseas. My hon. friend says that he speaks at a distance. Well, he does speak at a great distance from the reality. I was in England in 1915. I had the intention at that time of visiting every Canadian wounded soldier whom I could find in the British Islands or in France. There was not anything like the number of wounded then that there is now, and they were scattered from one end of the United Kingdom to the other in 143 different hospitals. That was the condition with regard to the wounded. There were then 143 different hospitals at various places at which the votes of Canadian wounded soldiers would be taken under this Bill. Besides that, there is a new condition in regard to certain arms of the service. Forestry battalions have been scattered over different parts of the United Kingdom, sometimes in small groups. You would find them at many different places. I should have said, in regard to the hospitals, that I obtained a list of the hospitals in which Canadian wounded were to be found. I succeeded in going to something over forty of them in the intervals between my work, but I frequently found this condition: I had a list of the men in a particular hospital, but I would find half or two-thirds of these men there and in the meantime the others had been moved to other hospitals or to convalescent homes. Imagine for one moment the project which my hon. friend seriously puts forward, of trying to take the votes of the wounded in one day. You would require something like 150 or 160 returning officers. According to the argument that was put forward, you would require 300 or 320 scrutineers. The suggestion seems to me to indicate the utter unreality of my hon. friend's project for taking these votes. Besides that, what condition have we in France? My hon. friend tells us seriously that all the Canadian forces in France are concentrated within twelve miles. That indicates an absolute lack of appreciation on his part of the conditions.

Mr. GERMAN: I said they were holding that number of miles of trenches.

Sir ROBERT BORDEN: My hon. friend forgets that we have forestry battalions and railway construction battalions in France, cavalry units scattered over the country in small groups, fifty or sixty or seventy miles from the trenches held by the Canadians, ready to be brought into action when called for. When I was in France last March we had units of the Canadian forestry battalion carrying on their operations in the Vosges, one hundred or one hundred and fifty miles away from the Canadian trenches, and the Canadian railway construction corps were not near these trenches but far away on the Somme, carrying on operations wherever they would be most useful. If any hon. gentleman imagines that it will be an easy thing, under the simplest possible procedure, to obtain the votes of our forces in France, while he may be perfectly sincere, it is an indication that he has an absolute lack of appreciation of the conditions in France; he does not understand them. Our forces of different arms are scattered over half of France and it will be a tremendous task to enable those men to have a reasonable opportunity of voting, under the best conditions we can devise. It is most difficult to realize those conditions, and I admit that I have but an imperfect appreciation of them in all probability, although I have been twice in France at the Canadian front. To carry out such a suggestion as my hon. friend offers under the actual conditions at the front would be quite impossible. Then, too, our men in England are in more camps than my hon. friend has any idea of.

Mr. A. K. MACLEAN: Last evening I suggested that the Minister of Militia might furnish a statement in fuller form of such information as the Prime Minister has just given, a general statement of the disposition of the Canadian troops in the United Kingdom and in Europe.

Sir ROBERT BORDEN: My hon. friend will realize at once that it would be absolutely against the public interest that the disposition of the Canadian forces in France should be stated to this committee; it could not be thought of for a moment. So far as Great Britain is concerned, I think there would be no objection to giving details as to the camps, although I should not like to speak positively about that. I omitted to refer to the taking of the votes of the men engaged in patrol service in the North sea, in mine sweeping, and in the Canadian vol-

unteer reserve, scattered among fifteen, twenty or perhaps forty ships, guarding the British Isles and doing patrol service in the North sea. To give these men a reasonable opportunity of exercising their franchise is surrounded with difficulties and perplexities absolutely beyond the imagination of any one who has not known something of the reality. My idea is that while we are bound to surround the taking of the votes with every reasonable safeguard, we ought to make these provisions as simple as possible and to give these men the best opportunity that is available under the law of this country to exercise their franchise. I feel very strongly that the members of the committee will be animated by a desire to do that, and I would like to impress on the committee that it is exceedingly difficult, if not impossible, for us to realize what that task really is.

Mr. A. K. MACLEAN: If there is any military reason why information of the nature I have suggested should not be given, that is a sufficient answer. But I think that information could be given in a general way which would be of service and would not be objectionable. I quite agree with the Prime Minister that it would be impossible to hold the voting in Great Britain and France on one day. I rose particularly to call the minister's attention to subsection 3 of section 8. The latter part of the section is very indistinct and difficult to undersand. Am I correct in assuming that it requires the deputy returning officer to give notice to every person who is appointed as a scrutineer of the fact of his appointment?

Mr. DOHERTY: No. He is to inform the deputy scrutineer when the information that he receives of the appointment has been accompanied by or followed by a request that he should do so.

Mr. A. K. MACLEAN: If that is the case, why not express it plainly?

Mr. DOHERTY: I thought it was expressed plainly, and, with respect, I still think so. I should be glad to make it more plain if any suggestion is made which will help to do so.

Mr. A. K. MACLEAN: Why not say directly that every scrutineer shall have notice of an intended poll? Why require that the deputy presiding officer must have a request that that communication be conveyed to the scrutineer? I was going to suggest that we insert after the word

[Sir Robert Borden.]

"notice," in the fourth last line of that section, the words "special notice shall be given of such polls to any person whose appointment as a scrutineer or deputy scrutineer has been communicated to him," and end there. These words "with the request that he so notify" are hardly good drafting, and certainly are not a good way to express the idea.

Mr. DOHERTY: If you suppress those words, you make it the duty of every presiding officer, of whom there may be an exceedingly large number over in France, to send a notice to the scrutineer in England that he, the deputy presiding officer, is going to hold a poll. You will make him send a notice to every deputy scrutineer of whose existence he knows, even though he is in a gathering which makes it perfectly clear that only one deputy scrutineer will come to his poll. As stated this afternoon, there will be at least double as many scrutineers as deputy presiding officers. Would it be desirable to say that every deputy presiding officer must notify every scrutineer of whose existence he knows? They cannot all come.

Mr. NESBITT: The scrutineer attached to his polling division.

Mr. DOHERTY: The scrutineer who wishes to be assigned his poll—that is the purpose. We ask all the scrutineers—who after all, are the representatives of one or other party—to notify the deputy presiding officers that they are the scrutineers and ask to be notified of the intended poll. It is to bring the two together, so that each deputy presiding officer will know which scrutineers wish to go to him. If the hon. gentleman will give me better English, I shall be delighted to put it in, but I want the substance of the section to remain.

Mr. A. K. MACLEAN: No deputy returning officer would be liable to interpret that section the first day he had it before him, and I am satisfied the minister will try and improve it.

Mr. DOHERTY: I thought it was all right. I would be very much obliged if the hon. gentleman would suggest an improvement.

Mr. A. K. MACLEAN: Is it intended to mean that the deputy presiding officer shall give the notice to any scrutineer or deputy scrutineer of any intended poll?

Mr. DOHERTY: The subsection reads:

(3) Where conditions make it reasonably possible, the deputy presiding officer shall give public notice of the time and place of an in-

tended poll, and, in cases of polls to be held without Canada, a special notice to any person whose appointment as a scrutineer or deputy scrutineer has been communicated to him, with the request that he so notify.

To me that is perfectly clear, and I do not know how it could be improved. Supposing the hon. member for Halifax (Mr. A. K. Maclean) were the deputy presiding officer, I would say to him: "You shall give notice to any scrutineer whose appointment has been communicated to you, with the request that you so notify."

Mr. A. K. MACLEAN: Why not say: "If requested, a special notice of any intended poll shall be given to any scrutineer or deputy scrutineer?"—then you have it.

Mr. DOHERTY: I would then have it, just exactly as I have it now. I have not the slightest objection to insert those words.

Mr. NESBITT: It would be plainer if you said: "with the request that he be so notified."

Mr. DOHERTY: The request is that he notify—not that the deputy be notified.

Mr. LEMIEUX: The more I listen to this discussion the more I am convinced that the suggestion made by the hon. member for Halifax is a good one, namely, that this Bill be referred to a special committee, to be threshed out and referred back to the House for one or two days' discussion. It seems to me there are so many technical questions that we cannot follow intelligently the trend of discussion in this committee. As my hon. friend makes a collection of all the suggestions, will he allow me to come back to what I think is one of the most objectionable sections in the Bill, subsection 3 of section 3?

Mr. DOHERTY: I made this suggestion a little while ago which seemed to be not unacceptable: We have gone over a certain number of sections and some of them have been allowed to stand. This particular section has been fairly exhaustively discussed, and we also have had some discussion on section 3, which section stands and we will have to go back to it—I think it would really make more intelligible to everybody the particular provisions if we allowed this section to stand, and proceeded with the next one, and after we have discussed it I would be satisfied to let it stand. Such a course might save time later on. We should get a general idea of the whole Bill and the hon. gentlemen will be quite at liberty to come back to section 3 and deal with it further.

Mr. MACDONALD: I quite agree with the suggestion of the minister as to this section. Subsection 3 says:

Where conditions make it reasonably possible, the deputy presiding officer shall give public notice of the time and place of an intended poll—

And so on. That is sufficiently wide to leave it entirely open, so far as Canada is concerned, to the deputy presiding officer as to whether or not notice should be given of the poll. I think that language should be more definite and certain as far as Canada is concerned, that notice should be given of the intended poll in any case. Then at the end of section 2, in reference to the suggestion of my hon. friend from Carleton this afternoon in regard to scrutineers, I suggest it should be amended by adding the following words:

and shall allow every scrutineer time and opportunity to perform his duties.

I think that the Prime Minister, when he was dealing with what he thought to be the difficulty of holding polls in England, was referring to the exceptional cases. It is true that there are men in the hospitals, but the Overseas Militia Department has a list of the various hospitals in which the men are located, and there is no reason why there should not be a presiding officer at each of the hospitals. If provision were made to this end, the vote could be taken in one day. As to the forestry units, not more than 14,000 men altogether in England and France are engaged in forestry work. The officials at headquarters know where the forestry battalions are and there is no reason why a presiding officer should not take the vote of each forestry battalion.

Mr. DOHERTY: I move that subsection 2 of section 8 be amended by inserting in line 31 after the word "his" the word "military" and by adding at the ending of the subsection the following words:

and, subject to the same condition, to every military elector who may be appointed a deputy scrutineer time and opportunity to perform his duties as such.

To meet the suggestion just made, I move to amend subsection 3 of section 8 by inserting at the beginning of the subsection before the word "where" the words "In Canada and," and by inserting after the word "possible" in the first line the words "without Canada." That would make the provision read as follows:

In Canada, and where conditions make it reasonably possible, without Canada, the deputy returning officer shall, etc.

I move, further, to amend subsection 5 by adding to it the following words:

but such vote shall be so taken in the presence of the deputy scrutineers, or failing either or both, of a military elector or two military electors, who shall, together with the deputy presiding officer, sign upon the envelope in which the ballot is inserted a certificate that the vote was taken under this subsection and the reasons which made it necessary.

I think that will be recognized as adding some precaution.

Mr. MACDONALD: Would the minister let that last amendment stand? The section is a rather complicated one, and we should have time to consider the effect of the amendment.

Mr. DOHERTY: My idea was that we should adopt the amendment and let the section as amended stand.

Amendments agreed to.

Section, as amended, stands.

On section 9—Manner of voting within and without Canada:

Mr. CARVELL: I should like to know why such evident precautions are taken to secure the secrecy of the ballot here in Canada, and such evident precautions are taken that there shall be no secrecy in the taking of the ballot elsewhere than in Canada? It is true that paragraph (e) of section 4 provides that six scrutineers shall be appointed, three for each side, and that every scrutineer shall have and may exercise all the rights of a candidate or his representative at any poll. That would mean that they would have a right to be present at the polling booth, or wherever the vote was taken. Paragraph (e) of subsection 1 of section 9 provides that when it comes to the voting the ballot paper shall be marked in the presence of the deputy presiding officer in such a manner as not to disclose to him or to any other person any marking thereon. Now, what does that mean?

Mr. DOHERTY: I have no objection to adding the words: "and the scrutineers," if that be the suggestion.

Mr. CARVELL: I would suggest that the ballot be marked in a compartment, just as is done in Canada. Paragraph (b) of subsection 2 provides that the military voter shall proceed into a compartment so arranged that he may be screened from observation and shall there mark his ballot paper. But when it comes to the voter in France or anywhere else, there is no such provision for secrecy. I think the same precautions should be taken wherever the vote is held. The men could easily go into some compartment. If the vote is taken in the field there will be a tent, or a blanket could be hung up to screen the voter from observation, and behind that he could mark his ballot. I think the minister ought to be willing to make the provision for secrecy uniform, wherever the vote is taken.

Mr. DEVLIN: I would suggest that the form of ballot be changed, and that there be simply three blanks, one to contain the words "Liberal candidate," another "Conservative candidate," and another "Independent candidate." There are only two recognized political parties in Canada, the Conservative party and the Liberal party. All other candidates would be classed as Independents. I think that would simplify matters for the soldiers.

Mr. DOHERTY: At present the ballot papers provide for voters who desire to vote "for the Government," those who desire to vote "for the Opposition," and those who desire to vote for the "Independent candidate." Last evening we had the suggestion—and I think there was some merit in it—that we should add a blank in the event of there being a Labour candidate. I do not see that there would be any great gain in substituting the words Liberal and Conservative for the words Government and Opposition, because it is not an impossible thing that gentlemen who are Liberals may want to vote for the Government, and gentlemen who are Conservatives may want to vote against it. And after all, the real issue is, shall the Government succeed or shall it be defeated—defeat, of course, meaning that the Opposition wins. Then, of course, we should be leaving out the great Liberal-Conservative party, which is not without existence in this country, some of us are happy to believe. I do not think we should gain anything by the suggested change.

10 p.m.

Mr. DEVLIN: The only point is that the ordinary elector is more familiar with the words Liberal and Conservative than with the words Government and Opposition.

Mr. GERMAN: If the hon. gentleman's suggestion is adopted, it will be necessary to have a space on the ballot paper for the Unionist party.

Mr. DOHERTY: I do not know whether it is as yet born. However that may be,

with all respect I do not think we should gain very much by making the change. After all, I think most people have a notion whether they are voting for the government or against it, and perhaps as clear a notion as whether they are voting for a Liberal or a Conservative candidate. I am prepared to consider the suggestion that was made last evening that we should provide a blank in the event of their being a Labour candidate.

Coming to what was said by the hon. member for Carleton (Mr. Carvell) with regard to the provision for secrecy in Canada and the omission of it overseas, the provisions for secrecy in Canada are a reproduction of the provisions of the Dominion Elections Act, and the provisions with regard to voting outside of Canada are a reproduction of the provisions of the Act of 1915. There will be places, I have no doubt, where it will be possible to provide for the voter going behind a screen. On the other hand, I certainly think there are places where it will not be convenient to do that.

Mr. CARVELL: They could always hang up a blanket, even if the vote was taken in the open field.

Mr. DOHERTY: It is perfectly simple if you are in a room or in a camp in Canada. But it has been impressed upon us by people who saw the vote in connection with the Australian election—it was impressed upon us by the representative of Australia on the other side, through the Canadian representative over there—that it was of the greatest possible importance to make the formalities as simple as possible. Time is of some consequence in the taking of these votes, and I put it to the hon. gentleman, is there very much greater danger of the violation of secrecy when a man takes his ballot and marks it at a distance from me where I cannot see how he marks it, than when he marks it behind a screen?

Mr. CARVELL: Let us put it as between the officer and the man, and we must not forget that it is the officer who is to hold this election. We know that in the army there must necessarily be a great distinction between the officer and the private. In order to maintain discipline the private must salute the officer, and he is compelled to look upon him as almost a different being altogether. Sometimes I think there is too much of that business. However, the fact remains. Now, under this Bill, when the man comes before the officer to register his vote, the officer, if so disposed, may say, "The law says that you shall mark your ballot in my presence," and he can make him do it. I am not saying that any large proportion of the officers would do that, but if an officer wanted to do it, here is his authority.

It is true, if the voter happened to be a lawyer and had read this Act, he might say "Yes, Mr. Officer, that is all very nice, but I find by section 4 of this Act the scrutineers have a right to be here."

Mr. ARTHURS: Where does the hon. gentleman get his authority for the statement that an officer will be present there? As I understand the Act, the deputy presiding officer may be anybody, and I should think on the average of chances in all probability he would be a private from the ranks.

Mr. CARVELL: My hon. friend is not serious in making that statement?

Mr. ARTHURS: Absolutely serious. There are many men among the privates there as well educated as my hon. friend, and just as fit to be deputy presiding officers.

Mr. CARVELL: My hon. friend is begging the question. He has been an officer, and has been at the front, and he knows there is about as much chance for a private to be a poll clerk, or a deputy presiding officer, as there is for a camel to pass through the eye of a needle. We are discussing this thing seriously, and we are trying to find a way out, and to save time, and the minister is meeting us.

Mr. ARTHURS: There is no use in making absolutely foolish statements.

Mr. CARVELL: I agree with my hon. friend entirely; there is no use of any man making foolish statements, therefore he had better keep quiet for a little while.

Mr. TAYLOR: At the last military election I voted at a British Columbia camp. The returning officer was a private soldier, and his clerk was another private soldier. I was commanding officer when I went there to vote. The private soldier who was the returning officer swore me.

Mr. CARVELL: This Government was not running that election.

Some hon. MEMBERS: Oh, oh.

Mr. CARVELL: Now I want to come back to what I was discussing with the minister. My hon. friend beside me suggests that he would like to see the poll book with the name of the officer in it. Of course, we

are compelled to take the word of the hon. gentleman, but naturally we would like to see the poll book. However, we will take his word. We do not want to be strictly regular.

Mr. DOHERTY: That is very unnatural.

Mr. TAYLOR: For the information of my hon. friend whose mind is so fine, I will give him the name of the presiding officer. It was Pte. Harold E. Sands. The poll was at Vernon, British Columbia.

Mr. CARVELL: That does not convey very much to us. However, we will look him up. I was pointing out to the minister the fact that clause (e) subsection 1, section 9, provides that the ballot papers shall be marked in the presence of the deputy presiding officer. There is a section in the Bill which provides that the deputy presiding officer shall be a military elector—I think that is correct?

Mr. DOHERTY: Yes.

Mr. CARVELL: And, notwithstanding the theories put forward by hon. gentlemen opposite, we know that in ninety-nine cases out of one hundred, and in fact I might say in one hundred cases out of one hundred, these deputy presiding officers will be officers. I do not think it is right that the private or the non-com. should be compelled to go, possibly, before his own commanding officer, and that there should be a provision in the law by which that commanding officer could say to him: "You have to mark your ballot in my presence; true it is, you can turn your back to me when you are marking it. if you wish to do so, but you must mark it in my presence." Let us look at the thing in the ordinary light of common sense. We are all of age, we have all been through elections and we know exactly how these things are arranged and how simply it is to put into effect the system which would provide for the carrying out of the vote in Canada. Simply have the soldier go behind a screen or somewhere where he would be alone, let him mark his ballot there, and then give it to the officer. I hope the minister will consider this. I would also recommend paragraph (g) to the attention of the minister. In case the voter is incapacitated by blindness or other cause, the returning officer is to mark the ballot for him. That should be done in the presence of the representative of each party, they are called "scrutineers" in the Bill. I think it will be agreed that there should be some provision to that effect.

Mr. DOHERTY: Perhaps I was not correct, but my understanding was that having provided that the scrutineer should be entitled to be present at the poll, and enjoy all the rights of representatives at polls in Canada, it was not necessary to repeat it with regard to each operation, but I have no objection to it. It will put the point beyond all doubt.

Mr. CARVELL: If you change section 8 I agree with the minister that the change suggested in paragraph (g) of section 9 would necessarily follow.

Mr. DOHERTY: I have no objection whatever to inserting it. It was some Frenchman who said that that which went without saying went all the better for saying. I am quite prepared to make that amendment. As to the other amendment, I will consider the suggestions which have been offered. I recollect that at the time of the passing of the Act of 1915 we did pretty thoroughly thresh out the possibility; and I may say I was led to consider it desirable to preserve the present form by the insistent representations that were made to me by officers who were on the other side at the time of the elections that were held over there. What was impressed upon me in a general way was the importance of making the operation of the taking of the ballot as simple as was possible, and making it involve as little time as possible. The Australian authorities made certain suggestions to us, some of which had already been in our minds. They impressed upon us in a general way that we should make the thing so that there should be as few requirements as possible the absence of which might nullify the vote. Looking at it from that point of view, I was led to think that probably there was no substantial danger in connection with the marking of the ballot in this particular way. There may be something in the suggestion that if the presiding officer be a commanding officer over a particular soldier, it may have some effect, but frankly it does not seem to me there is a great deal in the idea that it would necessarily influence the soldier to let the officer see how he is marking the ballot, in the face of a law which expressly prohibits him seeing it, and in face of the fact, which we will now make perfectly clear, that the scrutineers of the respective parties shall be present. Frankly, it was my belief, after I had given it some consideration, that there probably was as great protection for secrecy in this as there would be in the

provision that a man should go behind a blanket and mark his ballot, because if you are dealing with a presiding officer who wants to see the ballot, and is willing to exert what pressure his position as an officer gives him over the voter in order to see how the ballot is marked, I am very much afraid that marking the ballot behind a screen will not prevent him from seeing it. I know the evidence in some election cases goes to show that even with the screen conditions have been so managed that how a man voted has been ascertained. However, I shall be glad to consider the point—or rather to reconsider it, because we did give considerable thought to it in connection with the preparation of the Bill. I want to look at the places where we ought to insert the word "scrutineer."

Mr. ARTHURS: I am quite sure that every hon. member in this House is just as anxious as the hon. member for Carleton (Mr. Carvell) that this voting should be secret. At the same time there are many circumstances under which it will be utterly impossible to have any screened portion, even of a tent, for that purpose. If this vote is taken where a great many of the men are in dug-outs, or in confined quarters, it would not be possible to have an arrangement of that kind. In England there is an average of 25,000 wounded Canadian soldiers, many of whom are unable to get up to mark a ballot, and their votes must be taken by some means in the hospitals. Is it fair to deprive these men of the right to vote, simply because they are in the hospitals? The same thing is true in France. There is a great number of men in the hospitals in France, running into many thousands, and it would be utterly impossible to have any screened apartment, or any private place, where they could mark their ballots.

As far as the deputy presiding officer is concerned, I am quite confident that in many cases there will be no difficulty with regard to the question of authority over the voter. I believe that in many cases the deputy presiding officer would be a non-commissioned officer or man. In our army we find that a majority of our common soldiers are pretty well educated, probably as well educated on the average as the officers are. There is another consideration too. It would be very hard to get an officer to take this responsibility. I am quite sure that no battalion commander or major, would take it. If it were taken by any officer he would be one of junior rank and his authority would be limited to the men with whom he was personally acquainted. Our junior officers, unfortunately, change very quickly, they do not know very many men personally and they do not interfere with any except the members of their several companies. I am quite sure that no officer having any considerable authority over his men would accept that position.

Mr. MACDONALD: Would the adjutant be too busy?

Mr. ARTHURS: The adjutant is a very busy man. If it were any officer it would be the quartermaster, or the paymaster. The quartermaster sergeant, or an ordinary sergeant, would be the most likely man.

Mr. A. K. MACLEAN: I would like to suggest that clause (e) of subsection 1 of section 9 might start, in general terms, with the language of the Dominion Elections Act. It would be something like this: "The ballot paper shall be marked wherever reasonably possible"—that is the language of the minister—"so that each voter shall be screened from observation." "Screened from observation" are the words used in section 133 of the Dominion Elections Act. Perhaps that suggestion would help the minister.

Mr. STEELE: In connection with the screening of voters, or asking voters to mark their ballots behind a screen, it does seem to me that it is almost impracticable. There are large numbers of wounded men in France and England. It is due to these men, who are suffering quite sufficiently from their wounds and their work, that the task of voting should be made as easy for them as possible. To ask that these men be removed behind a screen to vote is to ask something that is impossible. When we remember that we shall have numbers of men suffering from pneumonia and rheumatism, and perhaps thousands from fractured limbs, many recovering from serious operations which possibly have snatched them from the brink of death, to ask that these men be not allowed to vote unless they mark their ballots behind a screen, or unless screens are put around their beds, does seem to me to be asking something that is unreasonable and unnecessary. The duty of this House is to make the voting for the men at the front as easy as possible while protecting it from all possibility of impropriety. Our first duty is to make it easy for the men to cast their ballots. I was struck by another suggestion that was made to-night by the hon. member for Welland (Mr. German) regarding the distribution of troops. The hon. gentleman made the suggestion that the voting should

take place on one or two days. Troops that may be in a certain section at one time may be miles away from there shortly after.

Mr. MACDONALD: In England?

Mr. STEELE: Yes.

Mr. MACDONALD: Not at all.

Mr. STEELE: The battle of Messines Ridge took place early in the morning, and hundreds of men who had been wounded that morning were being carried in motor ambulances across Charing Cross bridge on their way to hospitals in England that night. Hundreds of men are here to-day and miles away to-morrow. It would be absolutely impossible to consider taking the vote on one or two days in view of the wide distribution of the troops. Every facility should be given to the man who is overseas to poll his vote in this election.

Mr. CARVELL: I do not know why it is emphasized that we are trying to prevent some soldier from voting. We have heard that suggestion over and over again since three o'clock this afternoon. I cannot understand the suggestion that any member on this side of the House is trying to prevent any soldier from voting. Hon. gentlemen opposite seem to be using their utmost ingenuity to conjure up some case in which they can show that a man is prevented from voting. Does any one think that I want to prevent a man in a hospital from voting simply because I make some inquiry?

Mr. STEELE: If we put into this Act a provision that every man who votes must go behind a screen it would prevent thousands of wounded men from voting.

Mr. CARVELL: Nobody ever proposed that at all. I was trying to point out that every military voter in Canada was precisely in that condition. The provision applies to soldiers in the hospitals in Canada, and there are thousands in hospitals. I have seen men carried on stretchers in Canada, and there are hospital trains going through the country from Halifax to Vancouver, fitted up with special beds. There must be hundreds of soldiers in Canada who could not vote if they were compelled to walk behind a screen.

Mr. STEVENS: Why not amend both clauses and say "where possible."

Mr. CARVELL: Certainly. None of us are trying to keep men from voting. Sub-

[Mr. Steele.]

section (g) could easily be amended by inserting some such words as "where possible." I am pointing out principles on which the Bill should be drawn and the amendments prepared. Once we agree upon the principles, there will be no difficulty in choosing the exact language. None of us want to prevent the injured man from voting any more than the man on the firing line. We contend that every secrecy should be thrown around the casting of the ballot. All we want is an honest ballot and with that we shall be satisfied.

Mr. DOHERTY: I think that from the outset we have been substantially agreed upon those two principles—that we ought to provide, so far as possible, an opportunity for the soldier to vote, and that we ought to go as far in the direction of surrounding that vote with precautions to prevent abuse or fraud or illegality as is consistent with giving a reasonable opportunity to vote.

Mr. CARVELL: That is all we want.

Mr. DOHERTY: I have taken note of the hon. gentlemen's suggestions and shall be glad to consider them. It has been impressed on us that we should make the operation of voting as simple as possible, and should so arrange it as to take up as little time as possible. I shall be very glad to give consideration to the suggestions made on this section. We might deal for the moment with these amendments so as to get them out of the way. I would reserve the suggestion to make provision that where reasonably possible the elector shall be screened off. Of course, when it is provided that the elector is to go behind a screen, then you make possible the substitution of a marked ballot. Under the system proposed there is no provision for the initialing of the ballot by the presiding officer, or for the other checks against substitution employed in this country. We were acting on the advice of those who had had experience, that we shall leave as little to be done in the way of writing as possible because the conditions at the front make it desirable that the voting be got through as promptly as it reasonably can be. In the second place, I do not think it any reflection upon these gentlemen over there to say that it is well to bear in mind that although we shall have deputy returning officers just as intelligent as there are anywhere, a great many of them will be entirely unfamiliar with this routine, and there will not be a very great opportunity for

instruction. There will be no time for them to study the Election Act or the instructions which have been transmitted to them, and while I do not want to urge that anything that is necessary should be omitted, I am impressed with the idea that, so far as consistent with the fair protection of the secrecy of the ballot, every incidental procedure that can be done away with should be omitted. If we adopt the screen, I think it necessarily follows that we must adopt the precautions that are provided to be carried out in Canadian camps, with regard to the counterfoil, the numbers on them, and the initials on the back by the officers taking the vote. I think there would be serious reasons to apprehend that in the carrying out of those things, there might be many errors, and we might be troubled with questions as to whether certain ballots should be counted or not. The hon. gentleman has pointed out the reasons why this was open to objection. I hope he will think over matters, as I intend to do; but I think we might as well make the amendments agreed upon now.

Mr. PUGSLEY: I was not in the House when the amendments were proposed. Have you a provision for the ballot box being under lock and key, in which box the ballots and envelopes are to be placed, and which must not be opened until opened by the special returning officer? A thought occurs to me along the line of the remarks of the hon. member for Carleton, (Mr. Carvell), that while we are all anxious to give every soldier the opportunity to vote, we must not regard the voting a plaything. There is no advantage in the soldier voting unless his vote has, in the result of the election, that influence which the vote of every man ought to have, and it will not do to nullify, or to give the opportunity for partisan presiding officers or others to nullify the influence of the vote of the soldier by putting in fraudulent votes, because the result would be just the same as if the honest soldier had not voted at all.. I want to impress upon the minister as strongly as possible that this Bill gives the greatest opportunity for fraud, and those of us who have had anything to do with elections in Canada know that, without the Government being a party to it the men who are acting for the party machine seem to feel that they are justified in resorting to practices exceedingly improper, and doing things which they would not think for a single moment of doing in private life. Why it is I do not know, but that is the case, and that is why Parliament has tried to throw around elections certain safeguards. That is why I tried to impress upon the minister the desirability of both political parties having a voice in the nomination of the presiding officer. We have appealed to the Government in vain. Under the provisions of this Bill, the presiding officer will know exactly what the voter is doing. Clause (e) subsection 1, section 9, provides that the ballot paper shall be marked in the presence of the deputy presiding officer, but, in such a way that he will not see how it is marked. Those are two contradictory expressions. My hon. friend knows that where a paper is to be signed in the presence of witnesses, it means that the witness is to see the person make the signature.

Mr. DOHERTY: But in this case it must be done in such a manner that where the signature is placed cannot be seen.

Mr. PUGSLEY: Has the voter to turn his back on the presiding officer? The thing is too absurd to consider for a moment. As the section stands, it will mean that in ninety-nine cases out of a hundred the presiding officer will know how the ballot is marked. Then, the Bill makes no provision as to the special kind of pencil to be used. The Dominion Elections Act provides that a black pencil must be used, and I think it must be indelible. Under this Bill any kind of pencil can be used. After the papers are in the bag, or unlocked box, they are in the control of people who might erase the pencil mark and put in another. There is absolutely no safeguard whatever in these matters, and I submit it should be the duty of the minister to protect the honest voter in the exercise of his franchise and prevent, if possible, his vote being nullified by fraudulent practices, and this Bill gives every invitation to the deputy presiding officers and those acting with them to resort to such practices.

Mr. GERMAN: To my mind, the most objectionable provisions of this section is that which allows the deputy presiding officer to carry in his possession for a whole week the ballot box unlocked and unfastened in any way, into which from nomination day to the day of polling these ballots are being deposited.

Mr. DOHERTY: It is not this section that is open to that objection. Some time ago I made a suggestion which I thought everybody accepted. that when we had dealt with a section and such suggestions as we thought desirable had been made, we

might let it stand and proceed to another. The hon. gentleman is beginning to make objection or criticism, or probably leading up to suggestions, with regard to a subsequent section. Might I ask that this section stand, and we will come to the section to which his observations apply. In that way we can make a little progress.

Mr. MACDONALD: I assume the minister, having heard the suggestions made by hon. members on this side of the House, will consider them, with a view of redrafting the section and providing the proposed amendments. The hon. member from Perth spoke about the taking of votes, in answer to the hon. member from Carleton. It appears to me that we should in this section make provision for the majority of cases that exist in England, where the voting can be done just as well as in Canada. If we had made such a provision we should have avoided all the discussion we have had about the impossibility of taking the vote of the sick soldier and the vote of the man in the trenches.

A good deal of the extended consideration of the Bill has been occasioned by the fact that many of its provisions deal with exceptional cases rather than with cases where voting could be carried on as simply as it might be carried on in England. I should think that the whole thing might be re-drafted with a view to providing that the men in the camps outside of Canada shall vote as they do in Canada, exceptional provision being made for taking the votes of men in hospitals and in other exceptional circumstances. I suggested last night that my hon. friend make specific mention of a labour candidate; that could be done in clause (d), subsection 1, section 9. In subsection (g) there is no provision for depositing in the ballot box the ballot marked by the presiding officer on behalf of a person incapacitated by blindness or other cause. I would suggest that at the end of subsection (g) the following words be added "and then deposited in the ballot box in the presence of the voter." That would be in accordance with the terms of the Dominion Elections Act. I would suggest also that the minister take into consideration the provision suggested by the member for St. John (Mr. Pugsley) with a view to designating specifically what is to be used in the marking of the ballots. I know that it is desirable to have a simple Act, but the more definite you make the Act the easier will be its execution by those who have not had experience.

[Mr. Doherty.]

Mr. DOHERTY: I shall look up the requirement about the kind of pencil. My impression is that there is no special provision as to what kind of pencil shall be used.

Mr. CARVELL: A black pencil.

Mr. DOHERTY: I leave it to hon. gentlemen whether a ballot should be discarded simply because it is marked with a red pencil.

Mr. COCKSHUTT: Is provision made for giving the vote to Canadians who are in the Royal Flying Corps or in other branches of the Imperial service? Will the provisions of this Bill apply to Canadians serving in Salonica, Egypt and Mesopotamia?

Mr. DOHERTY: As at present printed, it covers Canadians serving in the Royal Flying Corps. I announced that I proposed to make it cover every Canadian ordinarily resident in Canada who is a member of any Imperial force. The Bill, however, does not provide for the taking of votes in Salonica, Mesopotamia or Egypt—anywhere outside of Europe.

Mr. COCKSHUTT: Salonica is in Europe.

Mr. DOHERTY: I was proceeding to make an explanation with regard to Egypt. I shall try to learn to be more precise.

Mr. CARVELL: There are many Canadians in England and France who are not covered by section 2 of this Bill.

Mr. DOHERTY: We mentioned particularly the corps in the Imperial Forces composed of Canadians who were grouped together, because we thought that we could get their votes. It is not clear that we shall be able to get the votes of those who are not grouped together; nevertheless we propose to make the definition of military voter include every British subject ordinarily resident in Canada who is in any Imperial force whatever or who is serving in any of the Allied forces. We shall not be able to send presiding officers into these forces to look for the men, but where they are grouped together we shall send presiding officers, subject, of course, to our being permitted to do so by the authorities in those forces.

I move that clause (d), subsection 1, section 9, be amended by inserting after the word "candidates" in line 16 the words "or labour candidate or candidates," by substituting for the word "person" at the end of the sixteenth line and the words "or persons" at the beginning of the seven-

teenth line, the words " any candidate or candidates," and by adding at the end of the seventeenth line after the word "elected" the words " designated by name." It was pointed out by the member for St. John, in connection with the ballot form, that the words " any person " might give a voter the idea that he could vote for any person he liked, without regard to whether he had been nominated as a candidate.

Mr. PUGSLEY: I assume that paragraph (b) will still be open to consideration?

Mr. DOHERTY: It is intended that the section as so amended will stand. I beg to move that clause (e) subsection 1, section 9, be amended by adding after the words "Presiding Officer" in line 20 the words " and Deputy Scrutineers present or military electors acting in their stead."

Mr. EDWARDS: What is the object of the word "present"?

Mr. DOHERTY: If scrutineers are notified and nobody comes I do not want to make it impossible for the deputy presiding officer to go on and take the vote.

Amendment agreed to.

Mr. DOHERTY: The same words ought to be inserted in this clause after the word "voter," in line 25. The subsection would then read "who shall then and there in the presence of the voter and deputy scrutineers present or military electors acting in their stead."

Mr. MACDONALD: Would that cover the case of the illiterate man?

Mr. DOHERTY: I was going to make the insertion in the case of the illiterate man when we come to that.

Mr. PUGSLEY: Paragraph (f), subsection 1, section 9 provides that the deputy presiding officer may administer to himself the necessary oath. I never heard of such a thing before. It strikes me as anomalous that a man should administer an oath to himself. I think it would be better to have a clerk administer it to him. It would be extraordinary for a man to say to himself "You do swear that you will do so-and-so." How could you indict a man for perjury on that?

Mr. DOHERTY: As far as the proceedings in France are concerned, I do not think we shall be able to indict anybody for perjury anyway. I am not quite certain that it is always essential that some-

11 p.m. body should hand out a Bible and say "Do you swear?" I have seen a good deal of swearing where the individual took up the Bible and said "I do solemnly swear." The provision in paragraph (f) is open to the objection that we have no evidence that the man took the oath except his own certificate that he took it, but we are relying upon that same man's certificate for the oaths of all the other electors.

Mr. PUGSLEY: Would the minister be rather sorry to see that clause in the Act?

Mr. DOHERTY: No, I am not sorry to see it there, because after all it is only permissive. I do not know whether this would be considered very grave, but we have not made it imperative that on all occasions there should be a clerk. As this vote is going to be taken, there is no provision for the keeping of a poll book, and though we have provided for a clerk, we have not made his presence essential. The returning officer may be in a position to fill those envelopes himself, and may or may not under given circumstances have a clerk. This was merely to make it possible, if the circumstances arose, that this man should certify to his own oath. Of course, if he has not a clerk, that will end the possibility of the clerk administering the oath.

Mr. PUGSLEY: That is only as to his vote.

Mr. DOHERTY: If he has not a clerk, of course that eliminates the possibility of the clerk administering the oath.

Mr. EDWARDS: Inasmuch as the clerk is only permissive, could you not meet the condition by inserting the word "have"?

Mr. PUGSLEY: It strikes me as peculiar. I have seen a great many statutes in reference to oaths, but I have never yet seen a case where Parliament has solemnly declared that man may swear himself.

Mr. EDWARDS: Does not my suggestion get over the difficulty?

Mr. PUGSLEY: No.

Mr. EDWARDS: It must be administered by somebody else, of course. In any event it is only permissive.

Mr. PUGSLEY: I would rather see it left out altogether, because it is of no effect.

Mr. DOHERTY: Perhaps we might let it stand.

Mr. A. K. MACLEAN: The poll clerk or the scrutineer could administer the oath.

Mr. DOHERTY: I will consider the point.

Mr. PUGSLEY: You may depend on it, if he has to swear himself he will put his vote in.

Mr. CARVELL: And, he could not be prosecuted for perjury.

Mr. DOHERTY: I move that clause (g), subsection 1, section 9, be amended by inserting after the word "voter" in line 33 the words "and in presence of the deputy scrutineers present or military electors acting as such." I move also that the same subsection be amended by adding at the end thereof "and deposit such envelope in the ballot box."

Mr. MACDONALD: Are the words "blindness or other cause" sufficient to cover the case of an illiterate voter who cannot mark his ballot?

Mr. DOHERTY: I rather think so. I do not know whether there is anything really gained by mentioning blindness.

Mr. CARVELL: I would like to ask a question as to subsection (e), which says "—the voter shall fold the ballot, place it in the envelope, securely close the same, and hand it to the deputy presiding officer." This is practically the same wording as the statute of 1915. Is it the intention that those envelopes will be such as can be sealed? I do not think there is anything in the Bill describing the envelopes. I presume it is the intention that they shall be sealed, but it does not say so.

Mr. DOHERTY: If I am not mistaken there is a provision somewhere in the Bill that the deputy presiding officer shall seal the envelope. It would be somewhat inconvenient to have each of the voters seal his envelope.

Mr. CARVELL: I assume the envelope is to be such as can be sealed, but it does not say so.

Mr. DOHERTY: The intention was that the deputy presiding officer should seal the envelope. I am afraid that has been omitted in the Bill. We will give that point further consideration. In the meantime we might pass on to section 10.

Amendment agreed to.

On section 10—Votes of civilian officials appointed under this Act, Subsection 2—Military elector resident in Canada:

Mr. MACDONALD: There should be some limiting words at the end of this section where provision is made to enter the name upon the poll book. You may have the case of a person who has been across but whose name is already in the voters' list in the district in which he resides. Perhaps the following words might be inserted at the end of the section: "Provided it is not already on the list of voters in the electoral district." There is no necessity of entering his name if it is already on the list.

Mr. DOHERTY: We have a special provision to prevent a man from voting more than once. Part of the affidavit that he is required to take is that he has not voted.

Mr. A. K. MACLEAN: No, that is not in form D. If his name was on the list in the district in which he formerly resided he might vote as a military elector and then vote again.

Mr. DOHERTY: The Bill provides that he shall be required to swear that he has not already voted. The purpose is to provide a method by which a returned soldier, a man who is no longer in the service and who has been honourably discharged, has a vote because of that fact, if our definition of "military voter" be finally adopted. We wanted to provide for the district in which he should be entitled to vote, and it seemed desirable that we should locate him in the district in which he was residing as a returned soldier rather than in the district in which he resided before he enlisted. His quality as military voter entitles him to vote at his actual residence at the time of voting. He is entitled to have a vote as a returned soldier even though under the provincial law he would not find himself on the list. If he finds himself on the list it will be possible to vote either as a military voter or as an ordinary voter.

Mr. CARVELL: Does the minister not think that he could overcome my difficulty by providing in form D that he shall declare that he has not previously voted?

Mr. DOHERTY: Yes.

Mr. CARVELL: The ordinary oath in part III would provide for the case if he had polled his vote as a returned soldier and then tried to vote as an ordinary elector.

Mr. DOHERTY: It is in form D that we have to provide for that.

Mr. CARVELL: Will it be necessary for the elector to produce his certificate of discharge?

Mr. DOHERTY: The provision requires it and we thought it was not an unfair provision because this man is getting his vote absolutely on the fact that he once was a soldier and has been honourably discharged. He gets that vote in a place where he has no claim to vote on any other ground. I do not think it is unduly hard on him to ask him to produce his certificate of discharge. He has four weeks in which to get it.

Section agreed to.

Mr. CARVELL: Does the minister not think we have done a good day's work?

Mr. DOHERTY: I confess I had an ambition to get over all the sections this evening and pass them. I appreciate the co-operation that we have tried to extend to each other this evening, but I think we should all be in a better position to take the matter up to-morrow if we had gone cursorily over these sections.

Mr. PUGSLEY: We should be in a better humour if we went home to bed.

Mr. A. K. MACLEAN: Is there any way by which a candidate, or somebody on his behalf, could get the roll of any battalion that has gone overseas?

Mr. PUGSLEY: I am told they are all printed.

Mr. DOHERTY: There seems to be some misapprehension. The hon. member for Pictou (Mr. Macdonald) last evening mentioned some lists and I said I would speak to the Minister of Militia about them. The hon. member spoke of a list which, among other things, would give the present whereabouts of a battalion.

Mr. MACDONALD: No.

Mr. DOHERTY: Hansard so mentions it.

Mr. MACDONALD: I did not intend to say that.

Mr. DOHERTY: The Minister of Militia informs me that it is quite impossible to get those lists. I understand that the nominal rolls of the battalions as they left Canada may be procured. If my hon. friend had in mind the nominal rolls of battalions, or sample rolls, it would be quite possible to get them.

Mr. A. K. MACLEAN: That would be some help. I suppose the rolls are not complete?

Sir HERBERT AMES: Speaking of the nominal rolls, we have them in the Patriotic Fund. They are only printed up to the 150th battalion and there are not more than half of them procurable. The rolls for the later drafts are not procurable.

Mr. MACDONALD: I have in my office rolls of battalions to the number of something like 105 or 110. These rolls were printed as the battalions left Canada and were sent in by the paymaster. These were sent to me, I do not know for what reason. I received them long before the recess.

Sir HERBERT AMES: There are fully one hundred battalions of which the rolls are not printed.

Mr. DOHERTY: I understood last evening that the hon. member for Halifax desired only to have sample lists.

Mr. CARVELL: No, we should like to have the actual rolls.

Mr. A. K. MACLEAN: Yes, it was the lists that we wanted, of each battalion, where they are available.

Mr. CARVELL: We all have soldiers in different battalions, and if we had the rolls of the units in which our soldiers are serving we could easily figure out which of our electors were in different units.

Sir HERBERT AMES: Only last week a list of the nominal rolls that are printed was sent out, so that the Militia Department have that information and could easily furnish it.

On section 11—Forwarding the ballots:

Mr. GRAHAM: Does the minister not think it would be a good idea to carry out the suggestion made by the hon. member for Carleton (Mr. Carvell) and that at the close of each day the ballot boxes should be safely sealed and despatched to their destinations?

Mr. DOHERTY: We considered that, but I shall be glad to reconsider it. The reason we abandoned the course now suggested, which would in many ways appear to be the preferable course, was that it would necessitate the employment of a great number of boxes, with consequently greater difficulty in transporting them and greater work for the officers who attend to the counting. However, I shall be glad to reconsider the suggestion that it would be better, even at the risk of a multiplication of boxes, to provide that each box should be sealed after being used. I quite recognize the desirability of having a more specific provision defining the nature of the ballot box, and I think we would meet the situation if

we put in a provision making it quite clear that section 122, part 3, should apply. I propose that section 122 of the Dominion Elections Act shall apply. That section reads:

> The ballot boxes shall be made of some durable material, with one lock and key, and a slit or narrow opening in the top, and so constructed that the ballot papers may be introduced therein, but cannot be withdrawn therefrom unless the box is unlocked.

I think we cover that by our definition that the word "box" shall include any receptacle. That would meet the criticism. I think the word "box" is used here, but we could amend our interpretation section so that a bag might be used and meet the requirements. In the practical operation of other elections that have been held, it has been found that, for the purpose of the election so held, a bag was a more convenient thing for use under conditions in the field than such a metal box. I do not think any one can attach serious importance to the question whether a bag or box is provided, because a bag or box would meet the requirements of section 122. If provision were made that we should have a receptacle from which the ballots could not be withdrawn once they were dropped in, and which was securely locked and closed, perhaps that would diminish, to some extent at all events, the objections made to the deputy presiding officer carrying the bag, or using the same bag on more than one occasion. However, I am glad to consider the suggestion that he should send this back after each operation. What is present to my mind is that we might make provision such as I have suggested applicable to places where you hold something that is really in the nature of a poll and make some exception in cases where the officer may have to go from one group to another, or one hospital to another for the purpose of collecting the ballots of very small collected groups.

Mr. PUGSLEY: I hope the minister will adhere to the box.

Mr. CURRIE: I think, under the conditions at the front, it would be impossible to have ballot boxes. The transport is taxed to its limit to carry food and ammunition to the front, and it would be looked upon by the military authorities as an outrage, if you asked that the same transport should carry a load of empty boxes, when it should be filled with shells. When the ballot is enclosed in an envelope, nobody can find out how a soldier voted, unless he tampers with that envelope. There is no reason why the ordinary mail bag, which is capable of being well locked at night and kept in a safe place, should not be used as a ballot box. It will not take up any space. There are hundreds of bags going up to the line every day, and hundreds of them coming back empty. There is no reason why the post office should not supply good mail bags for this purpose. I desire to point out to hon. gentlemen opposite and to those who have been taking objections and suggesting that there may be irregularities, that the men at the front are not that kind of breed. As a matter of fact, they do not care very much how elections go. They are risking a great deal now, and I would be quite willing to take their method of carrying on the election, without an Act at all. There is no method of posting the names of the candidates on a board. There are no boards over there. All the information is sent to the front by a small telegraph wire.

Mr. GRAHAM: That is at the front.

Mr. CURRIE: Yes, and that is virtually the rule. I do not think the same necessity arises, as in an ordinary election, for ballot boxes. I think Parliament can safely trust the soldiers at the front to see that this vote is fairly taken, and if we cast ourselves on their hands I do not think Parliament will regret it. The crook, the ballot box stuffer and the election thug will not be there. These men are not of that quality. Why all this fuss and all this attempt to establish safeguards? To my mind it is not necessary at all. The point that was raised the other night by the hon. member for Pictou, about the way votes were taken in England, does not apply to this election at all. I think it would be out of the question to send ballot boxes to the front. The proper way would be to put the ballots in a mailbag. That is all you can get over there. They could not understand the necessity for a ballot box. It is absolutely necessary for the transport to handle food and munitions, and every inch of space is required for that service.

Mr. CARVELL: I made a suggestion, which I still think is worth considering. I realize the difficulty of handling boxes. I have never been there, but one's imagination does not have to go very far in order to appreciate the difficulty. I suggest that, at the close of the polling every day, these sealed envelopes should be taken out, in the

presence of the scrutineers, and put in a sealed package, and marked by the returning officer, his clerk and the scrutineers. That sealed package would be ready to be forwarded to Paris, or London, and the same bag or box is available for the next day.

Mr. GRAHAM: That is what I had in my mind.

Mr. CARVELL: You could preserve the ballot box.

Mr. DOHERTY: One advantage of the ballot box is that once a ballot is dropped in, it stays there until it gets to the returning officer. By the method suggested by the hon. member for Carleton we lose that. On the other hand, you gain in this way, that you send your ballots off at once. But you have to allow some operation to take place of handling the ballots outside of the presence of the voters and scrutineers between the time that the ballot is deposited and the time that the proper officer counts it.

Mr. CARVELL: The safest thing is the bag properly sealed.

Mr. DOHERTY: We might, as I say, make the provision suggested this afternoon —that, at the end of every polling operation, the bag should be sealed up and sent at once; but we might perhaps modify that, so as to make provision for the exceptional case, where one polling operation might be the gathering of four or five votes in a hospital by an officer who would have the time and opportunity to do it, and perhaps he would gather in other groups of the same kind.

Mr. CARVELL: You might make some arrangement like that.

Mr. MACDONALD: Why should these provisions apply to Canada?

Mr. DOHERTY: I do not see any reason why we should not use the ordinary ballot box in Canada. I was suggesting that we make section 122, which defines the form of ballot box, apply. The section of the Dominion Elections Act which tells us about the form of the ballot box merely provides that the material shall be durable, that it shall have one lock and key and a slit so constructed that the ballot papers may be introduced therein, but cannot be withdrawn therefrom unless the box is unlocked. A leather bag, for instance, could be of durable material; it could have one lock and key, and it could meet with the rest of those requirements.

Mr. PUGSLEY: When a box is used it may be locked during all the time that the ballots are being put into it. The ballots cannot be extracted without unlocking the box. You have to keep a bag, however, open all the time, until all the ballots have been put in.

Mr. DOHERTY: What applied to the locked box applies also to the locked bag; you can put your envelope into the bag without unlocking it. Why should the bag be open? If you have a bag which conforms to the requirements of section 122, you can put your envelope in through the slit; it will not be necessary to unlock the bag or keep it unlocked.

Mr. PUGSLEY: It is rather inconvenient to have a slit in a bag.

Mr. DOHERTY: A tin box would not be procurable on the fields of Flanders. They used the bag on the other side, and I do not see any reason—

Mr. PUGSLEY: Why not use a wooden box? That is what we use in New Brunswick.

Mr. DOHERTY: That goes to indicate that the statute does not require any sacramental thing at all.

Mr. CURRIE: The Dominion Government has not any ballot boxes of its own; they always fall back upon the township or municipality for boxes with which to carry on the election. It is time that the Government obtained suitable galvanized boxes, or boxes of some kind, in which the voters could deposit their ballots. In one case where an election was held close to the time when a municipal election was also being held, there was a wild scurry to get half a dozen ballot boxes in which to receive the ballots. They had to go to Toronto and take them from the cellars there. I hope that when the Dominion election comes along, ballot boxes will be provided, with safety locks that cannot be opened and without any false compartments. I do not see any reason why the soldier's ballot should not be deposited in its envelope with the other ballots in the ordinary ballot box. When the returning officer comes to open the box and to count the ballots in the presence of the scrutineers, he can place in a sealed envelope the ballot of each soldier cast for a certain riding and send it to the returning officer for that riding. Or he can count the soldiers' ballots then and there and transmit the count to the returning officers of the respective ridings for which the ballots are cast.

Mr. GRAHAM That might be done in Canada.

Mr. CURRIE: Yes. In France the objection to providing boxes is very great. Metal or wooden boxes would not get within a mile of the trenches. As for wooden boxes, the fellows would use them to start fires with, because wood is valuable out there; the men carry it round in their pockets to make fires with which to boil their tea kettles. If metal boxes were used, complaint would be made that so much useful steel was used for that purpose when it might more appropriately be shot across at Fritz. The best thing to use would be the standard mail bag. When it is pretty well filled, it could be locked in the presence of the scrutineer and handed over to the brigade post office as registered mail. These votes will have to be taken in brigade areas.

Mr. A. K. MACLEAN: Would it not be advisable to use a smaller bag than the standard mail bag?

Mr. CURRIE: I would send no bag there at all except a bag that would be used in carrying supplies to the district concerned. When it is being sent back, let it carry the ballots.

Mr. PUGSLEY: And let the deputy presiding officer use his coat pocket in the meantime.

Mr. CURRIE: I would as soon trust the deputy presiding officer's coat pocket in France as I would the ballot box in New Brunswick.

Mr. GRAHAM: It is now midnight; we have worked pretty well to-day. I think that we all have a desire to report this Bill and to put it in proper shape as rapidly as possible. Does the minister not think that we had better adjourn?

Mr. DOHERTY: I accept my hon. friend's suggestion—if hon. gentlemen will promise to be as good to-morrow as they have been this evening.

Progress reported.

On motion of Sir Robert Borden, the House adjourned at 12, midnight.

Thursday, August 23, 1917.

The House met at Three o'clock, the Speaker in the Chair.

SALARIES OF CLERKS AND EMPLOYEES, HOUSE OF COMMONS.

Sir ROBERT BORDEN moved:

That the recommendations of the Hon. the Speaker, laid on the table of the House on

the 15th and 20th instant, respectively, relating to increases in salary to certain clerks and employees of the House, under the provisions of the Civil Service Amendment Act, 1917, be approved.

Motion agreed to.

QUESTIONS.

QUESTIONS NOT IN PROPER FORM.

Mr. SPEAKER: Questions Nos. 4 and 9, standing in the name of the hon. member for Laprairie-Napierville (Mr. Lanctot), contain allegations as to fact and innuendoes, which, it seems to me, are not in proper keeping with the spirit in which questions are to be asked. I would, therefore, ask the hon. member to recast his questions in a way to conform to the spirit of the rule with regard to questions.

Questions allowed to stand.

PURCHASE OF THE SCOUT.

Mr. A. K. MACLEAN:

1. Was a steamer or motor boat, called the Scout, purchased by the Government of Canada from any person or persons at Halifax, N.S.?

2. If so, from whom, when was she purchased, and what was the price paid therefor?

Sir ROBERT BORDEN: Will the hon. gentleman (Mr. A. K. Maclean) give an idea as to what department of Government this question relates?

Mr. A. K. MACLEAN: The Naval Department, I should think.

Mr. HAZEN: I called the attention of the deputy minister of Naval Affairs to the question this morning, and he said that it could not relate to that department.

Mr. A. K. MACLEAN: We will let the question stand, and when I ascertain by what department it was purchased I will write a letter to the head of that department.

Question allowed to stand.

QUEBEC AND SAGUENAY RAILWAY.

On the Orders of the Day:

Mr. LEMIEUX: I notice in the Supplementary Estimates that there is an amount of $3,667,745 in connection with the Quebec and Saguenay Railway and other companies. On two different occasions I asked my hon. friend the Minister of Railways and Canals (Mr. Cochrane) if he would introduce, as was stated and rumoured, any implementing legislation with regard to the purchase of the Quebec and Saguenay Railway or with regard to construction. He an-

swered in the affirmative. I would like to know from him, or from the Prime Minister, if his answer is in the Supplementary Estimates in the form of a re-vote or does he propose to introduce any implementing legislation?

Mr. COCHRANE: It is in the Supplementary Estimates in the form of a re-vote.

Mr. LEMIEUX: And there will be no implementing legislation?

Mr. COCHRANE: No.

CANADIAN RAILWAY SITUATION.

CONSIDERATION OF CANADIAN NORTHERN RAILWAY BILL RESUMED IN COMMITTEE.

Consideration in committee of Bill No. 125, providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway Company—Sir Thomas White (Minister of Finance—resumed from Friday, August 17, Mr. D. Stewart in the Chair.

Sir THOMAS WHITE: Mr. Chairman, when this Bill was under consideration in the committee recently, I was asked certain questions relating to the cost of construction of the Mount Royal tunnel and terminal, in regard to the programme of construction work in the province of Saskatchewan and in reference to the shareholders of the Canadian Northern Railway Company. I have obtained that information for the House and I now beg to place it on Hansard. With regard to the Mount Royal Tunnel and Terminal Company, Limited, I have a statement of the estimated cost of construction, the estimated expenditure to April 30, 1917, and the balance required to complete as at April 30, 1917. The statement is as follows:

Mount Royal Tunnel and Terminal Company, Limited.

Statement of Estimated Cost of Construction Expenditure to April 30, 1917, and Balance required to Complete as at April 30, 1917.

Classification.	Total Estimated Cost.	Expenditures to April 30, 1917.	Cost to Complete.
Tunnel	$ 4,631,427.00	$4,566,072.52	$ 65,354.48
Terminal	723,616.00	282,242.12	441,373.88
Mount Royal Station	110,823.00	95,823.38	14,999.62
Electrification	405,127.00	372,236.02	32,890.98
Branch railway (from West Portal to Junction with C.N.O. Ry.)	182,468.00	119,329.14	63,138.86
Engineering and Contingencies	585,177.00	543,370.46	41,806.54
Real Estate and Taxes	2,155,593.50	2,110,593.99	44,999.51
Property damage, etc.	175,000.00	122,220.87	52,779.13
Interest	1,432,129.59	1,420,829.59	11,300.00
	$ 512,254.00	$ 322,254.00	$190,000.00
Less proceeds from sale of stone and equipment	10,401,361.09	9,632,718.09	768,643.00
	$9,889,107.09	$9,310,464.09	$578,643.00

Note.—In addition to the above:
(a) The has been expended on right of way for connection with harbour, 1,316,806.41.
(b) There are deferred payments amounting to $174,828.50 on property acquired for extension of present terminal.

With regard to land damages, the hon. member for Russell (Mr. Murphy) asked a question and I have here a memorandum prepared by the solicitor of the company to this effect:

Regarding land damages arising out of the construction of the tunnel, the situation is that at the present time outstanding claims for damages to the amount of about $50,000 are in the course of adjustment. All the land which the company has to obtain for the present terminal and the right of way has been acquired and paid for in full. Easements through the mountain have not in many cases yet been adjusted, the company claiming that owing to the distance from the surface practically no damage will be sustained. These claims are standing over by agreement until one year after the operation of the tunnel.

(Sgd.) Gerard Ruel.

A question was asked by the hon. member for Moosejaw (Mr. Knowles) with reference to the programme of construction in Saskatchewan, as to which I have obtained a letter from an official of the company.

Toronto, August 21st, 1917.

Hon. Sir Thomas White,
Minister of Finance,
Ottawa, Ont.

Dear Sir:—

With reference to the inquiry of Mr. Knowles regarding programme of construction work (Hansard, page 4818), the information asked for is as follows:—

The amount at credit of Trust Account Treasurer, Province of Saskatchewan, in respect of construction of branch lines is $1,202,825.24. This is held in respect of the extension of branch lines in the province of Saskatchewan, including the lines from Gravelbourg westerly, Vonda north easterly and Bengough westerly. The reason why these lines have not been proceeded with is that it is impossible to obtain rails except in very limited quantity and at unreasonably high prices. For this reason the company decided after the outbreak of the war to defer as far as possible the construction of further branch lines till normal conditions were resumed. There have been several exceptions where the conditions of transportation were specially acute. These included the following lines; Elrose Extension West of Eston, Thunderhill Extension West of Preeceville, St. Paul de Metis Line.

With respect to the two lines specially referred to by Mr. Knowles; the first line, Bengough West, has been deferred; the second line, South from Kindersley (Elrose Extension), is included in the present construction programme.

Yours truly,

A. J. Mitchell,

Assistant to Vice-President.

I was asked to obtain a list of the shareholders of record in the stock register of the Canadian Northern Company. I have here a certified statement under the seal of the company as follows:

The undersigned Assistant Secretary of The Canadian Northern Railway Company hereby certifies that the holders of shares in the capital stock of the said company as of this date, namely: June 30th, 1917, are as follows:—

The minister of Finance and Receiver-General of Canada, in trust, for His Majesty.. ..	$ 40,000,000 00
Sir William Mackenzie..	10,000 00
Sir Donald Mann..	10,000 00
Mr. D. B. Hanna..	10,000 00
Mr. E. R. Wood..	10,000 00
Mr. R. J. Mackenzie..	10,000 00
Mr. Z. A. Lash..	2,000 00
Hon. F. Nicholls..	2,000 00
Mr. R. M. Horne-Payne..	2,000 00
Hon. H. W. Richardson..	2,000 00
Mr. W. J. Christie..	2,000 00
Mr W. K. George..	2,000 00
The British Empire Trust Company, Ltd..	324,000 00
John Aird and H. V. F. Jones, in trust..	1,000,000 00
Mackenzie, Mann & Company, Limited..	58,614,000 00
	$100,000,000 00

R. P. Ormsby,

Assistant Secretary.

This is the record of shareholders as on June 30th. The secretary informs me there have been no changes since, and, indeed, no changes for a year before, except that certain shares were transferred to the names of directors in order to qualify them. I think I should point out that, so far as concerns the Government directors, Mr. W. K. George, Mr. W. J. Christie and the Hon. H. W. Richardson, I understand, have no personal interest in the shares which were transferred to them to qualify them as directors of the company.

It is also fair to say that I have received a letter from Mr. E. R. Wood, referring to a debate here last week, in which he states that, apart from the qualification shares transferred to him, he has no interest, directly or indirectly, in the Canadian Northern Railway Company.

With reference to the holding of Mackenzie, Mann and Company, Limited, of $58,000,000 of par value, I have this letter from the secretary of Mackenzie, Mann and Company, Limited:

Mackenzie, Mann & Co., Limited,

Toronto, August, 21, 1917.

Hon. Sir Thomas White,
Minister of Finance,
Ottawa, Ont.

Dear Sir:—

With respect to the $58,614,000 of stock of the Canadian Northern Railway Company standing in the name of Mackenzie, Mann & Company, Limited, $51,000,000 is wholly the property of Mackenzie, Mann & Company, Limited; $2,000,000 is held in trust for certain officers and employees of long standing in the company; $1,600,000 is deposited with the province of British Columbia; and the balance, namely $4,014,000, is held by Mackenzie, Mann & Co., Limited, pending uncompleted financial arrangements for distribution of same amongst Mackenzie, Mann & Company, Limited, Lazard Bros., London, England, and British Empire Trust Company, London, England.

Yours truly,

R. A. Macdonald,

Pro Secretary.

Those are the official statements of the holdings of the stock of the Canadian Northern Railway Company. So far as I am aware, that is all the information I was asked for by hon. gentlemen opposite in connection with this Bill.

Mr. LEMIEUX: When were the shares held in trust, to the amount of $1,000,000, by Mr. Aird transferred in trust to him? Could we have the transfer book of the company to see that?

Sir THOMAS WHITE: I do not think they were so transferred. On the face of it they stand in the names of Mr. Aird and Mr. Jones—$1,000,000 of the stock of the company. I asked for the list as of June 30th, and I make the statement, as I was assured by the secretary that no transfers had taken place since. I thought it advisable to get a list of shareholders prior to the date of the discussions in this House.

There is no doubt that the list of shareholders is the correct list, and I am informed further that there had been no changes in the names of shareholders for practically a year previously except for the purpose of qualifying directors.

Mr. PUGSLEY: Is the Finance Minister prepared to give the House information as to the shareholders of Mackenzie and Mann Limited?

Sir THOMAS WHITE: I understand Mackenzie and Mann are proprietors of Mackenzie and Mann, Limited, but I submit that has no bearing on the question before the House. We are not purchasing the shares of Mackenzie and Mann, Limited. We are about to purchase the shares of the Canadian Northern Railway Company. My own view is that it is not relevant to this discussion to know the names of the shareholders, but on account of the discussion which developed in the House I thought it advisable to place upon the Table the list of shareholders as of record. This transaction, although it is a large one, is a comparatively simple transaction. The Dominion Government is already—and this fact, I am afraid, is lost sight of in this House—the owner of $40,000,000 stock of the Canadian Northern Railway Company: that is to say, we are a minority stockholder in that company. There are $60,000,000 par value of shares still outstanding. Instead of continuing assistance to the company, as we have in the past, we say that we will acquire the $60,000,000 of shares outstanding, thus making the Dominion Government the sole shareholder, instead of a minority shareholder of the Canadian Northern. I submit that the question as to who are the shareholders of Mackenzie, Mann and Company, Limited is not relevant to the section now under discussion by the committee, but I express the view, with some confidence that Messrs. Mackenzie and Mann—that is Sir William Mackenzie and Sir Donald Mann—are the proprietors of Mackenzie and Mann, Limited. But we are not buying their stock.

Mr. PUGSLEY: I would have thought it was of importance to the country to know who were the shareholders of the Canadian Northern. It would be equally important to know who were the shareholders of Mackenzie, Mann and Company, Limited, who own, from the statement of the minister, $51,000,000 of this stock of the Canadian Northern. The organization of Mackenzie and Mann, Limited, if it is a limited liability, would enable them to hold this stock and transfer it over to different people, and I would assume the pledgees (who are referred to in this Bill) of the stock of the Canadian Northern, are gentlemen of corporations who have received stock from Mackenzie and Mann, Limited in pledge. Therefore, I would think that when, by this Bill, the pledgees are given authority to name one of the arbitrators jointly with Mackenzie and Mann Company, Limited, it would not be unreasonable that the House should be informed as to who those pledgees are, and as to whether or not they received the stock from Mackenzie and Mann Company, Limited.

Sir THOMAS WHITE: We have given that information. My hon. friend now states that what he desires to know is who are the pledgees of the stock of the Canadian Northern Limited, but he did not ask that. He asked me who were the shareholders in Mackenzie and Mann Company, Limited.

Mr. MACDONALD: I asked who were the pledgees.

Sir THOMAS WHITE: The Solicitor General informed the House the other night that, as to $51,000,000 of the stock held by Mackenzie, Mann and Company, Limited, that stock is, with other assets of Mackenzie and Mann, Limited, pledged to the Canadian Bank of Commerce by the company. If my hon. friend were carrying on a large business, having contracts, bonds and stocks of companies, amongst others the stock of a railway company, whether the Canadian Northern or Canadian Pacific, and doing business with his bank, he would know that he would give a pledge in respect of all the assets of his firm. It is not the case, as I pointed out to the hon. member for Edmonton, of a specific loan against a specific security. The general balance of account between Mackenzie, Mann and Company and their bankers is, I understand, secured as a general balance of account of any firm is secured, by a pledge to their bankers, including among others, these securities. It has never appeared to me that this question is relevant to the consideration of the section now before the House, because it is for the arbitrators to determine what is a fair value for the shares. If we were buying shares of the Canadian Pacific Railway Company, and my hon. friend from

St. John was so fortunate as to own $100,000 worth of stock which he pledged with other assets to the bank, it would not occur to me that this House would be desirous of knowing what amount he owed the bank, in respect of that pledge. The real question is, shall the Government buy the stock, and secondly, what is the price that should be paid for it? We propose to have the matter determined by arbitration, and our arbitrator is to be the Chief Justice of Ontario.

Mr. PUGSLEY: We want to understand whether the whole $51,000,000 of stock held by Mackenzie, Mann and Company is pledged to the Canadian Bank of Commerce, together with their other assets.

Sir THOMAS WHITE: Yes.

Mr. PUGSLEY: The whole amount is pledged?

Sir THOMAS WHITE: Yes.

Mr. PUGSLEY: I do not propose to discuss the question as to the importance of it. It seems to me it could be well argued that Parliament should be informed on that subject. My hon. friend (Sir Thomas White) says that we seem to forget that the Government already owns 40 per cent of the common stock of the Canadian Northern. Let me say that neither this House nor the country is likely to forget that, because, simultaneously with the getting of that stock, the country became committed to the enormous liability of $45,000,000. That is a fact that the country is not apt to forget. Neither is the country apt to forget that because the very next year or the second year after that obligation was entered into, the country is called upon to pay $15,000,000 more into the enterprise—and one of the arguments advanced in favour of it is that the country had previously, in 1914, become committed so enormously by guaranteeing the bonds to the extent of $45,000,000, it could not, without affecting the credit of the country, refuse the additional $15,000,000. Therefore, the country is not likely to forget the circumstances under which that common stock was acquired, which common stock, I do not hesitate to say, is intrinsically just worth the value of waste paper.

Sir THOMAS WHITE: And my hon. friend recollects that he was in favour of arbitration to determine the value of these shares, fixing for them a maximum of a very large amount?

Mr. PUGSLEY: Yes, I remember, too, that at that time my hon. friend, the Minister of Finance, assured Parliament that if $45,000,000 were guaranteed the company would be able—he believed he could inform the House with full confidence—to go on and complete its entire system. He said they had $45,000,000 available for all the purposes of the road, and there was no likelihood of their coming back for further assistance, and the resolution which I had the honour of moving was to the effect—and my hon. friend forgets that, apparently—that the stock issue should be reduced from $77,000,000 to $30,000,000, so that, instead of standing at $100,000,000, as the Government proposed it should stand, it should be reduced to $30,000,000, that all of that stock should be placed in the hands of a trustee, for the benefit and security of the people of Canada, and that it should remain there for five years, so that, in case of default, the Government would have power to act upon it, and speedily take possession of the road, without paying out any money; that, in case it was carried on successfully for five years, paid its interest, and its expenses of operation, and became a successful enterprise, this Parliament would have the right—if it was thought desirable to take over the road and have it operated as a Government work—to take the stock by arbitration.

Does not my hon. friend think that the circumstances under which that suggestion was made are very different from the circumstances with which we are confronted to-day? Does my hon. friend forget that in 1914 he assured Parliament that through the remarkable ability and the wonderful and unprecedented ingenuity of the Solicitor General a plan had been prepared which was embodied in section 24 of the Bill, under which Parliament would have the right to foreclose by Order in Council the equity of redemption in the Canadian Northern Railway Company and in all the subsidiary companies, and if Parliament thought fit to do so it would in that way acquire an absolute title to that property without foreclosure proceedings and without the payment of any more money, but solely in consideration of the enormous sums which had been poured into this railway system in the past, and in consideration of the vital assistance which is being asked for in 1914? Has my hon. friend forgotten all that? Has he forgotten that he said he wanted to take off his hat to the Solicitor General in recognition of the wonderful ability and the great ingenuity which he had displayed in fram-

ing this resolution under which Parliament could so speedily act in the interests of the people of this country? He must have forgotten all this, because to-day he is telling Parliament and telling the country that it would be nothing short of an outrage to act under the authority which was then given to the Government at the suggestion of those who are now occupying the treasury benches. He says now it would be an outrage to act upon that wonderful provision which was framed by the Solicitor General, and which was proposed by my hon. friend when he asked Parliament to assent to the Bill. I have been drawn away from the question I proposed asking the minister by reason of his referring to circumstances which I think he would be glad to forget in view of the action which he is now asking Parliament to take. My hon. friend says in the statement that there are in the treasury of the province of Saskatchewan something over $1,000,000, and that that is held in trust and will be available for the purpose of completing certain branch lines in that province. I would ask if that is the case. With reference to all the other current assets mentioned in the statement which has been laid upon the table of the House, each held on account of Dominion Government, $4,471,611.12; province of Manitoba, $239,350.64; province of Alberta, $3,104,966.24; province of Ontario, $407,487.43; province of British Columbia, $6,403,989.06; would all those amounts be amounts that are not payable to the company to-day but would be payable in the event of their completing certain railways in those various provinces? From what the minister says I would assume that to be the case.

Sir THOMAS WHITE: These figures are a year old.

Mr. PUGSLEY: I presume in respect of those amounts there has been little change. We have not been favoured with a printed statement for the last year, therefore we must be pardoned if we refer to the statement the minister laid on the table of the House for our information.

Sir THOMAS WHITE: This statement is correct as of June 30, 1916. Those were the moneys held in trust account in respect of securities which had been sold, the proceeds of which would be available for the construction of railway lines.

Mr. PUGSLEY: They appear on the credit side of the balance sheet. Would the minister inform me what items there are on the debit side representing this twenty odd million dollars?

Sir THOMAS WHITE: It would be included in the temporary loans and the funded debt. If my hon. friend will allow me to explain: Supposing there is an issue of bonds of, say, the Canadian Northern Railway Company or the Canadian Northern Saskatchewan, guaranteed by the Government of Saskatchewan; those bonds are sold, and when they are sold the amount would be shown among the liabilities of the company. If the money was not actually paid out in construction it would appear on the other side of the cash trust account. If my hon. friend is under the impression that they are on one side and not on the other he is entirely in error.

Mr. PUGSLEY: I do not suggest that for a moment, but I could not see any specific items to correspond with them.

Sir THOMAS WHITE: There is no specific item.

Mr. PUGSLEY: Then I would understand those bonds were so.

Sir THOMAS WHITE: Or pledged for a note issue.

Mr. PUGSLEY: And, the money lies there? These figures are not represented by any items in construction account.

Sir THOMAS WHITE: Except such as would be spent.

Mr. PUGSLEY: I see there is due to other companies on construction account $16,666,957.26. Has the minister obtained any information from any outside source with regard to the value of the land grant? I urged very strongly that in view of the enormous liability of some $21,000,000 in land grant bonds outstanding, which are in no way essential to the railway system. whatever else Parliament was asked to do it should not be asked to deal in any way with the stock of the land company, which would create a moral, if not a legal obligation, to make good these land grant bonds. In that connection the minister told me he would ascertain whether the land grants of the province of Quebec and of the province of Ontario were included, or whether those bonds simply covered the lands in the western provinces.

Sir THOMAS WHITE: When my hon. friend asked me the question I informed him correctly, although I was not positive of it myself, that the lands in the province of Ontario and the province of Quebec were not pledged under the bond mortgages. The lands which were pledged were those in the West to which my hon. friend

has referred. We have no means of knowing the value of those lands. In any event, it would be a matter of estimate. The only means we have of knowing their value would be the sales which have taken place. I laid upon the table of the House and placed upon Hansard a statement showing the sales made, and having regard to the prices obtained from those sales, it would appear that about $15 an acre was the price. I believe that is the price at which their auditors have taken the lands in. I do not say those lands are worth that money. It seems to me that would have to be taken into consideration by the arbitrators appointed, if they regard it as desirable to value the assets of the company. I am not quite able to follow the argument of my hon. friend with respect to those lands, because he seems to suggest that we should leave them out; that we should not take them in at all. That could be done only if we repudiated the liability of the bonds which had been issued, secured by them. I understood my hon. friend the other day to suggest that we should do that, that is, that we might not pay the bonds outstanding which had been issued against those land grants by the company, but I would point out to my hon. friend that that part of the debenture debt, although secured by those lands, is the same as any other part of the debenture debt, because the proceeds went into the construction of the railway.

Mr. PUGSLEY: How does the minister know that?

Sir THOMAS WHITE: That is established by the Government auditors who are working on the books now, and by the company's own auditors. I do not think anything could be more clearly established than that.

Mr. PUGSLEY: In that case will the minister tell me the amount of cash realized from the sale of those bonds?

Sir THOMAS WHITE: According to the blue book issued in 1914, 5 per cent land debentures were issued to the amount of $16,274,068.60. The proceeds were $14,092,245.94.

Mr. PUGSLEY: Those figures should be looked into.

Sir THOMAS WHITE: They have been gone over a dozen times.

Mr. PUGSLEY: There is in the blue book issued in 1914 a statement as to 4 per cent land bonds issued to the amount of $3,196,426. The proceeds are put down as $3,679,125, or in other words, the proceeds are about $500,000 more than the par value of the 4 per cent land grant bonds. I am sure that even the Canadian Pacific never issued any of its land grant bonds so much above par value.

Sir THOMAS WHITE: There is an explanation about that.

Mr. PUGSLEY: Perhaps the minister will give me the explanation. I cannot find it. In what year were they issued?

Sir THOMAS WHITE: If my hon. friend will look at page 7 of the Financial Statements, he will find the information. If my hon. friend is particularly curious with regard to the matter, I can readily get the information he requires.

Mr. PUGSLEY: What does the minister think about the matter?

Sir THOMAS WHITE: I think it is very probable and I will tell my hon. friend why. There was a four per cent land grant issue that contained the assignment of a contract from the Government, and that issue was adequate to take care of the interest charges. My hon. friend knows that the interest rates towards the beginning of this century were very low. This rate of interest was very favourable, almost as good as that of a Government security. The financial comptroller of railways tells me that that debenture stock produced the amount shown in the blue book of 1914. If my hon. friend thinks the matter is of essential importance we could make further inquiries and see if, by any chance, there is an error in connection with it. I do not believe there is any substantial error; in fact, I do not believe there is any error at all.

Mr. PUGSLEY: The point I really want to make as strongly as possible in connection with these lands is that I do not believe they are, in any respect, an adequate security for the debentures which are outstanding. $21,000,000 is a very large amount. Those lands are in no way essential to the system; they form no part of the railway system. If the proceeds of those lands went into the railway, if the railway is taken over upon a valuation, what money went into the railway is to be paid or carried by this Government? I do not care whether it was $10,000,000 or $20,000,000 that went into the construction; if it went in this country is going to pay for it. Therefore, why should this country, in ad-

dition to paying for property represented by the proceeds of the land grant bonds, which proceeds went into the construction of the road, assume, as it is being asked to do, the obligation in respect of the bonds that have been issued against those lands and that to-day stand against the lands which remain unsold? The Government is asking Parliament to do that without giving us any testimony, either from the Drayton-Acworth Commission or from any land experts or valuators as to the real or probable value of those lands. We know that a few years ago there was quite a boom in lands, and, as I stated the other day, many people bought lands during that boom. In a case in which they had a whole land grant from which to make their selection, they would naturally select the best lands available. I know of one railway company in the West, which, in order to assist in the construction of its road, was obliged to sell practically two-thirds of its land grant at the price of one dollar per acre. That was the highest amount which could be obtained for the land. It was sold to capitalists in London, and the proceeds were used for paying the interest upon the bonds issued for the construction of the railway. It passes my comprehension how these remaining lands and sales agreements—the leavings by those who have spied out the lands and picked out the best—are any kind of security for $21,000,000. The Minister of Finance says that he cannot quite understand how I would get rid of the obligation in respect of these lands. Of course if the Government is going to take over the stock, the country will assume the moral obligation to make good these bonds, because the Government and the people of this country will become debtors to the extent of $21,000,000. The Government will become the Canadian Northern Railway, and the people of this country cannot get rid of the obligation except by repudiating the liability which under this legislation they will assume. But if the provisions of section 24 of the Act of 1914 were acted upon, the Government could foreclose the mortgages upon the property constituting the railway system. It need not have anything to do with the mortgages on the land grants; they could stand just where they stand to-day, and the Canadian Northern Railway Company could remain a company just as it is to-day. But if these provisions of section 24 were acted upon, the Government would become the owner of the equity of redemption in the railway system without having anything whatever to do with the land, and without being in any way liable for the obligations in respect thereof. If the Government were to take the action which they told us in 1914 they would take, which they boasted they were providing for and anticipating when they enacted what they call this splendid legislation which would enable the axe to fall, to use the language of the hon. member for St. Antoine, when default should take place, they could avoid fixing any responsibility upon this country for the payment of this enormous sum of $21,000,000. But

4 p.m. instead of doing that, they are asking the country, so far as these lands are concerned, to buy a pig in a poke —to assume this liability without having the slightest evidence of the value of the securities which are outstanding against those lands. That is the view which I take so far as the lands are concerned.

I believe that throughout this country, as the people are beginning to understand what this legislation means, there is growing up a public sentiment against the transaction which this Government cannot afford to ignore. You will find in all the great commercial cities of Canada the feeling that this country ought not to pass legislation which under the provisions of this Bill may involve the people of this country in a liability amounting to at least $60,000,000. It may go even beyond that, because these shrewd financiers, Messrs. Mackenzie and Mann, these clever men, aided by the clever counsel whom they have in their employ, have not furnished to this Government a scratch of a pen which could be used against them and against their claims when the arbitration proceedings take place. Can the Minister of Finance say when he goes before the arbitrators that this company is in default? He cannot say that. Can he say that they are unable to carry on their business, and unable to meet their liabilities? He cannot say that, because Mackenzie and Mann have never told him so. The minister has informed Parliament that he has received nothing whatever in writing from these gentlemen, either suggesting their inability to carry on their business, or asking for further aid from this Parliament. On the contrary, he has himself submitted a statement which has come from these astute gentlemen, which, if it is reliable, shows that they are amply able to get along without any assistance from this Government, and that their stock is of the value which their statements represent it to be. On the other hand, if this Government

waited until default took place, as it must take place unless the Government comes to the assistance of the road, they would be able under the provisions of section 24 to step in and acquire the entire system without involving the country in this enormous liability.

I desire to repeat that this is not the time to pour out these millions of money to Messrs. Mackenzie and Mann. The Minister of Finance has found the people of Canada so responsive to his demand for taxes that he thinks the people are able and willing to pour their millions freely into the treasury of this country. He forgets that he has made the people of Canada believe that he wanted these enormous sums raised by way of taxation in order to enable Canada to do her part in carrying on this war. The people have never dreamed that these moneys which he has been taking out of their pockets were to be poured into the lap of Mackenzie and Mann—these favourite sons of fortune whose headquarters are in the beloved home of my hon. friend the Minister of Finance, the city of Toronto. When the people of this country find that the moneys which they have so freely contributed for the purpose of assisting the country in doing her part in this war are to be given away to these gentlemen, they will entertain a very different opinion. The people of Canada do not understand the iniquitous provisions of this measure at the present time, but the people in the great cities are learning from the newspapers what it means, and before long, if the discussion continues for any length of time, the people throughout the country will know what it means, and a storm of indignation will go up from the Atlantic to the Pacific which I think will astonish even the Minister of Finance.

Mr. MEIGHEN: I shall not attempt to make reply to the purely show features of what I may describe as the speech to the press gallery of the hon. member for St. John. There are, however, serious members of the committee who are anxious that no substantial feature of the subject before us shall be in any way obscure. I have heard the warning of the hon. member for St. John, that we are going to have to pay at least sixty million dollars for this stock, on the determination of its value by the arbitrators, and he assures the country that the stock is not worth a dollar. He knows that in the height of his wisdom. He has no confidence that men like Sir William Meredith, and an appointee agreeable to him or to the Chief Justice of the Exchequer Court of Canada, will be anything but mere victims of the chicanery of Mackenzie and Mann. I do not know that the committee has any reason to assume that the Chief Justice of Ontario and the Chief Justice of the Exchequer Court would not be proof, and could not select men who would be proof, against the chicanery of Messrs. Mackenzie and Mann, just as much as the hon. member for St. John is proof against it. I have no reason to assume that such men would be mere putty and clay in the hands of the Canadian Northern any more than the hon. member for St. John would be putty and clay in the hands of either the Canadian Northern or the Canadian Pacific.

As to these land grant bonds, I do not know what the hon. member for St. John has in the back of his head. I do not know what he is trying to express. I have not been able to get my mind around any complete idea that he is trying to give the committee. What are these land grant bonds? The Canadian Northern Railway Company became the possessors of a large grant of land. It formerly belonged to Mackenzie and Mann, then to Mackenzie-Mann, Limited and, in return for stock, it became the property of the company. The Canadian Northern then were the owners of more than 4,000,000 acres of land in Western Canada. What happened? The Canadian Northern Railway Company issued land grant bonds and secured them on that land grant.

Mr. MURPHY: In the West?

Mr. MEIGHEN: Yes, they are all in Western Canada. There was, first, a land grant bond issue of $7,000,000, the proceeds of which were applied to the Canadian Northern Railway, just the same as the proceeds of every other bond issue of the Canadian Northern Railway Company. Then, subsequently, they issued another, but not being able to secure as much money as they desired to get for the purposes of the railway on that land grant, what did they do? They procured Mackenzie and Mann to put in the townsites as additional securities and the townsites were then added to the security of the land grants and the whole was made the basis for another issue the proceeds of which also went into the road. The committee must remember that these bonds were the bonds of the Canadian Northern Railway Com-

pany, were the promissory notes of the company which they are obliged to pay and which can be got rid of by one method and one method only and that is repudiation. No other method in the world can get rid of them. No mere construction of words will get rid of them. You may repudiate them, of course, but that is the only way. Other issues of bonds have been made since then. What are those subsequent issues? They are issued guaranteed by the Government, there are mortgages made on the road, and which are made to secure the money that we have advanced. There is the consolidated bond issue. What is the position of the securities? My hon. friend assumes that the land grant is not worth nearly as much as what is against it. I do not think he is at all correct. Even if we could in honour or law repudiate this debt, where would we be? We would, of course, lose the security. What is the fact? My hon. friend says that these lands are just the tail end, the leavings of the original lands. I am afraid he does not understand the way lands are sold by railway companies in the West. It is not as if a farmer comes along, looks at a piece of land and says: "I will take that" and another farmer comes along and says: "I will take that" with the result that after the good land has been picked out you have only the worst land left. That is not the procedure at all. They put values on that land in accordance with the quality and location of the land, the values which they think the land ought to have. There is just as likely to be good land left as good land sold. Then, it comes down to a question of the fairness of the value put upon the land by the company. Instead of the sales of land indicating that it is valueless, they indicate the very opposite. Valuations arrived at by lands actually being sold now show a tremendous equity in these lands, amounting to several millions of dollars. Lands have been sold at the following rates:

Year.	Average Rate Per Acre.
1913	$15 36
1914	15 23
1915	15 53
1916	16 37

This shows an increase in the last two years in the average price per acre of these lands. Any one will inform the committee, who knows anything about western farm lands, that the prices are higher to-day than they have been at any period in our history.

Mr. MURPHY: Is that the case in the three provinces?

Mr. MEIGHEN: That would apply to the three provinces. I understand that Canadian Pacific Railway lands are selling better now than they have at any other time.

Mr. MURPHY: Of course a part of their land is irrigated.

Mr. MEIGHEN: I know that there is a part of their land irrigated but I do not think that irrigation has anything to do with the question because it has not been a very pronounced success.

Mr. MACDONALD: Are there many sales being made?

Mr. MEIGHEN: I think sales are being made pretty freely.

Mr. LEMIEUX: Does my hon. friend include in the term "lands" timber limits?

Mr. MEIGHEN: No; these are farm lands.

Mr. LEMIEUX: I am informed that they have very large timber limits in the British Columbia section.

Mr. MEIGHEN: I do not think those are included in the land grant at all. I do not know anything about the timber limits.

Mr. MURPHY: These are agricultural lands?

Mr. MEIGHEN: These are agricultural lands, as I understand it, entirely. I would point out that the increased rate at which they have been able to sell these lands indicate that the proportion of good land left is about the same as it was at the beginning. I only make that argument as a matter of inference, I do not make it as a matter of personal knowledge but clearly from the record it would appear that the land that is left is likely to be a fair average of the land that has been sold. At all events the land generally is much higher in value now than it was. That is a fair assumption based on recent sales, and consequently if we adopt a scheme which would dishonour the obligations of the Canadian Northern the proceeds of which obligations went into this railway, we would in all likelihood forfeit assets of tremendous value. As to taking the valuation of the land; no doubt that would be part of the duty of the arbitrators. We are getting the land as a part of the property of the railway company and consequently it would be for the arbitrators to ascertain

what the land is worth. The Drayton-Acworth commission did not pretend to do that. They did not deem it their duty and I think rightly so but the arbitrators now, no doubt, would find out what these lands are worth. My hon. friend harks back again on the question: Why did you not value the land? We have done it in substance and in effect. We have not valued it specifically. Why? Because to value it specifically would mean for the time being at all events the disintegration of the system. The entity of the company would be destroyed. While the company might exist, it would not own the railway. It was an accepted principle that if we should fix any terms or conditions for ascertaining the value, it would subject us to the application of every rule of law which would tell against the Government and against the people of Canada, as against the plan, the parallel line. which we are following, and which puts us in a much stronger position before the arbitrators especially when we are taking the stock instead of the assets themselves.

Mr. MACDONALD: Why arbitrate at all?

Mr. MEIGHEN: In order to get at the value.

Mr. MACDONALD: But you said that if they defaulted they would lose all claim, and that the property would be the property of the Government.

Mr. MEIGHEN: That is what I say as between Parliament and Mackenzie and Mann; if Parliament deems it fitting and honourable to confiscate these lands, Mackenzie and Mann cannot complain. But that does not say that we must deem it fit or honourable or in the interests of Canada.

Mr. MACDONALD: I do not think you had anything about honourable in it in 1914.

Mr. MEIGHEN: Nothing about honourable in 1914! I think my hon. friend would do what is in the interest of the country, and I do not think it would be in the interest of the country to confiscate.

Mr. MACDONALD: This is what my hon. friend said:

> The idea of that is that we are at this time making the interested parties and all stockholders parties to this contract, and we say to them: We now and here bind you that should the day of default come you shall not appeal to the Parliament of Canada on the ground of your road being confiscated in any way whatever, but you here and now leave the Parliament of this country free from any such question and untrammelled in every way to deal with the property of the Canadian Northern as it may be advised in the interests of the people of this country.

Could anything be more absolute?

Mr. MEIGHEN: —Nothing more true.

Mr. MACDONALD: Well, you are not doing it.

Mr. MEIGHEN: That is what we are doing. The Parliament of Canada is free and untrammelled and can do what it deems fit in the interest of Canada, and I stand, in the name of Canada to say it is not in the interest of Canada, and it is not fitting to confiscate the property of any man. It is not in the interest of Canada and it is not fitting, at the bidding of whomsoever, corporation or otherwise, to confiscate the property of any man.

Mr. MACDONALD: You said in 1914: we make it absolute that neither the company nor any one interested in it can come here in the event of default and say: "You are confiscating our property without compensation," because it is all settled.

Mr. MEIGHEN: That is what I said, that is what I say to-day. As between us and them, they could not. But the general interest of Canada does not call for it, and the circumstances of the case do not call for it. If my hon. friend believes that the legislation of that time, as it stood at the third reading—and it stood at the third reading just as it is now—if it provided that upon default there should be confiscation, nothing more or less, why did he support an amendment that, instead of confiscation, there should be a submission of the stock to arbitration? Why did he support that amendment if it was provided that the people of Canada could get the property for nothing? It is because he did not believe it and does not believe it now.

Mr. MACDONALD: Does my hon. friend mean to say that his statement was not a direct intimation to the country that the country was getting an absolute right to the equity of redemption of Mackenzie and Mann in the Canadian Northern Railway?

Mr. MEIGHEN: It got the right to deal with the equity of redemption as it saw fit. Parliament has not the absolute right to confiscate without the complaint of the party interested unless the party agreed to it. But because we then got the right to do it, that does not say that it is to our interest to do it or in the interest of the

people of Canada, and it does not say it is honourable to do it.

Mr. MACDONALD: Do I understand my hon. friend to say that, now the Parliament of Canada has the right to confiscate and take this equity of redemption without payment to Mackenzie and Mann, notwithstanding that, it is in the interest of Canada that you should pay them?

Mr. MEIGHEN: We have the power to do it undoubtedly, and I so intimated then and I so pronounce now, but it is not in the interest of Canada that we should do it. It is in the interest of Canada to pay for property that we take what that property is fairly worth.

Mr. MACDONALD: We have paid for it already.

Mr. MEIGHEN: Then why did the hon. gentleman vote to arbitrate on it in 1914? We have perhaps the strongest tribunal which the personnel of this country can provide to determine the value of this stock. I know that the people of Ontario have confidence in the Chief Justice of Ontario, and that no agitation which hon. gentlemen may try to engender in this country will ever shake the confidence of that province in the Chief Justice. I believe the people of every other province of Canada have equal confidence that that Chief Justice will not submit the name of a third arbitrator or submit to the name of a third arbitrator who is not strong, true, capable and fair, and if they do not agree on a third arbitrator, then the Chief Justice of the Exchequer Court names the third arbitrator, so the people of this country are secure that there will be strong, capable, able men, who will be able to protect the interests of Canada when this goes to arbitration. What more do the people of Canada ask? We are told that the cities of Canada—the word was very indefinite—are becoming opposed to this legislation. I have heard of some talk in one city, but not in any other.

Mr. LEMIEUX: Where?

Mr. MEIGHEN: In the city of Montreal.

Mr. LEMIEUX: That is an important city.

Mr. MEIGHEN: An important city it is true, but I have not heard of any dissatisfaction in any other, and I do not think hon. gentlemen opposite will be able to escape from the conscription issue in this country, in Montreal or in any other city, under the cover of this Bill.

Mr. DEVLIN: Never mind conscription; we are discussing the Canadian Northern Railway.

Mr. GRAHAM: When the hon. member for St. John (Mr. Pugsley) referred to the city of Montreal or to the cities of Canada, he undoubtedly had in mind the deliverance of certain leading men in Montreal. But these are men, as I look at some of the names, who are interested all over Canada; their investments are not confined to the city of Montreal.

Mr. LEMIEUX: And they are mostly in favour of conscription too and good Tories, but disgusted at this.

Mr. GRAHAM: As a matter of fact, I know that some of these gentlemen are strong conscriptionists.

Mr. MEIGHEN: They will vote all right then.

Mr. GRAHAM: My hon. friend must not get these issues mixed up in condemning these men for what they say on the Canadian Northern. He must not opine that they are against conscription. Some of them are very strong conscriptionists, but apparently they object to the conscription of the country's wealth for any individual person.

Some hon. MEMBERS: Hear, hear.

Mr. LEMIEUX: Give the names first.

Mr. GRAHAM: I think I had better read the article just as it is. It is in the Montreal Gazette which, by the way, of late particularly, has girded up its loins in Toryism, and is writing very strong articles on almost everything, against Liberalism and in favour of its friends.

Mr. LEMIEUX: In favour of conscription, too.

Mr. GRAHAM: Let me read this article, just to be sure that this is not really just a local objection, and ascertain by reading the article the contents and value of the deliverance of these men. I submit that the deliverance is by very important men, and if it be an important deliverance, we have a combination that ought to carry great weight. The article reads:

> The following criticism of the policy of the Government in respect of the Canadian Northern Railway is made:
>
> The Government Bill to authorize the purchase by it of the capital stock of the Canadian Northern Railway is half way through the House of Commons and will shortly be in the Senate. If it becomes law, it will impose on Canada, at a time when the country is under an unprecedented strain, a burden of

unknown magnitude. One certainly greater than any ever before imposed upon this country, with the exception of the war debt.

The purchase of a defined piece of railway property is one thing. The buying of stock in a company with unascertained assets and unknown liabilities is another. Once the Government becomes the principal owner of the common stock, it must provide out of loans or taxes for all the debts of the railway due or to become due and for all future losses in operating. The estimates of expenditure still necessary to be made run into enormous figures. No one knows what the real extent of its obligations are. The railway has bonds outstanding and debts unpaid; so have its subsidiaries. There are guarantees given by it to other companies, unpaid balances on contracts and upon accounts, but to what extent is unknown. What its assets are is equally unknown. It operates and is interested in railway companies, land companies, telegraph companies, tunnel companies, lumber companies and hotel companies, but no one knows how far it owns them, what their assets or liabilities are, nor to what extent the railway company is responsible for their liabilities.

No other railway company nor any other group of business men would consider such an acquisition except after elaborate examination and reports from accountants and appraisers on the assets and liabilities, and then only subject to a solvent guarantee that all supposed assets would be delivered and that no undisclosed debts or obligations would appear. To find out these things, where such examination and guarantee cannot be had, the usual course in the United States has been to place the road in the hands of a receiver, whose staff can ascertain them and place them before those interested an accurate and clear statement. Systems quite as large, notably the Union Pacific, the Atchison, Topeka and Santa Fe and the Rock Island, have in the United States been through this process and have emerged from it with capital written down to correspond to the actual values, in a solvent condition and able to perform their duties as public servants.

The only examination so far had into the affairs of the Canadian Northern has resulted in the opinion of two out of three railway experts that the stock proposed to be purchased was worth nothing. This means that whatever its nominal value may be, the unsecured debts are more than enough to prevent its being sold to any reasonably prudent purchaser. In view of the fact that no money was paid to the company—

That should read "paid by" the company, I think.

—for the stock and that the company has never been able to earn anything upon it, there was and is no reason to expect any other result from examination.

No agreement or obligation to purchase is produced. In fact, nothing has transpired except verbally and then between members of the Government not named and persons whose names are not disclosed. In fact what is to be paid, who is to get paid for it, what the cost and the attendant obligations are, no one knows. The smallest transaction in common life could not be concluded in such a way, and any attempt to do it by trustees responsible to a court would unquestionably be a breach of trust, and this is the largest and most onerous undertaking ever contemplated by any Canadian Government, and the most risky. It is safe to say that no road capitalized above its earning power can ever be a useful public servant, nor can any road bought by a government for more than its worth ever be anything but a continuous drain on the taxpayer.

[Mr. Graham.]

The Canadian Northern Railway was built as a private speculation. Its bonds were sold to financiers at a discount. No money was received into its treasury for its stock. Nothing has been made public which would justify the taxing of other citizens of this country for the purpose of giving fictitious value to these bonds and stocks. The interest and other charges on Canada due to the war increase every day and even now are so great that it is difficult to say from what source they can be paid without an economic strain never hitherto undergone and a cutting down of expenses not yet even begun.

The credit of the country abroad is less than it has ever been. The last loan of $100,000,000 at 6 per cent for two years netted only $96,111,111. In other words, the country is borrowing money at a charge of more than 8 per cent per annum. Note.—According to the Hamilton Times of August 17, Sir Thomas White stated the net proceeds to be $96,250,000, not $96,111,111, and that the commissions and charges were 1¾ per cent. He was speaking of a two-year 5 per cent loan. The cost would be 8 per cent if the 1¾ per cent comes out of the $96,250,000, but not otherwise. Its future credit may depend entirely on the belief of foreign bankers that good money will not be sent after bad, and that speculative enterprises will be allowed to find the financial level called for by their intrinsic merits.

The undersigned, all of whom as investors, have a stake in the prosperity of this country desire to call the attention of their fellow-countrymen to the grave risk they all are running of having their own earnings diverted for the purpose of securing profits to bondholders and stockholders of a concern, the equity in whose enterprise has been declared by the only people at all in a position to form an opinion to be of no value. It is also urged that the strongest possible protests be made before it is too late to all senators and members of Parliament.

Montreal, August 20, 1917.

F. W. Molson, James Law, H. R. Drummond, Geo. E. Drummond, Armand Chaput, Ferd. Prudhomme, Zeph. Hebert, A. J. Brown, C. S. Garland, H. A. Ekers, Chas. Chaput, A. Guy Ross, Joseph Ainey, C. Meredith, C. S. Campbell, W. R. Miller, George Caverhill, Wm. McMaster, H. W. Blackwell, Andrew J. Dawes, Robert Hampson, George R. Hooper, George W. Sadler, W. W. Hutchison, Wm. C. Finley, F. H. Wilson, G. F. Benson, A. Craddock Simpson, James Morgan.

This is a statement made by very prominent business men of Montreal, and I imagine the majority of them, from what I know, usually look with pleasure on the actions and conduct of this Government. I would not say that they do so at present. I think, perhaps, they are wavering a little now that some matters have been exposed,

but, generally speaking, I think the majority of these men are supporters of the Government. They are evidently strongly opposed to the taking over of the Canadian Northern, and particularly to the manner of taking it over. On page 8 of the Gazette appears an editorial headed "The Railway Policy," which I will read to the House.

The CHAIRMAN: This discussion is of such a general character that I think it should have taken place on the second reading of the Bill. It is for the committee to decide whether we will discuss the general principle of the Bill in committee, or whether we will take it up clause by clause.

Mr. GRAHAM: I am discussing clause 1, which is the whole Bill.

The CHAIRMAN: There were many statements in the long article which the hon. gentleman has read from the Gazette which were not relevant.

Mr. GRAHAM: I will submit to any ruling the Chair makes. Clause 1 is the essence of the Bill. It refers to everything that was referred to in the article which I have read. Clause 1 reads:

1. His Majesty may acquire the six hundred thousand shares of capital stock of the Canadian Northern Railway Company (par value sixty million dollars), not now held by the Minister of Finance in trust for His Majesty, on such terms and conditions satisfactory to the Governor in Council as may be set out in an agreement to be made between His Majesty and the owners and pledgees of not less than five-sixths thereof, and for a price to be determined by arbitration as hereinafter provided.

The article I have read was protesting against this clause.

Sir THOMAS WHITE: Has the hon. gentleman concluded his statement?

Mr. GRAHAM: I have concluded on the question of order.

The CHAIRMAN: When the Bill was before the committee on a former occasion the hon. gentleman who was acting as chairman did not have time to call the clause before the Finance Minister made his statement, and discussion followed.

Mr. GRAHAM: We must be on clause 1.

The CHAIRMAN: As the hon. gentleman has read clause 1, I presume that clause is before the committee.

Mr. GRAHAM: Then we must be on some clause, to be in order.

The CHAIRMAN: As the hon. member has read the clause now, clause 1 is before the committee.

Mr. LEMIEUX: We are in the "claws" of Mackenzie and Mann, that is all.

Mr. GRAHAM: This editorial refers to the meat of the whole thing. It is fair to say that the Montreal Gazette is opposed to government ownership of public utilities. I will read the editorial:

The Railway Policy.

We print in another column a protest against the purchase of the Canadian Northern Railway signed by many of the leading capitalists of Montreal, and this protest is not lightly to be disregarded. The point at issue is this, is the country to take over a burden that other shoulders should bear? Will the ownership of the Canadian Northern impose upon the people a financial obligation avoidable without danger to national interests? If the Government was divorced from the enterprise, the answer is easy. Like any other business undertaking the property should stew in its own juice, and undergo the course of liquidation through receivership, emerging therefrom in stronger condition in respect of liabilities both of current and of capital account. That appears to be the view of the financiers whose statement we print, and there is, force in the view.

The Canadian Northern must be carried on as an operating road. It serves a great territory and a large community of people whose welfare is dependent upon the operation of this railway, but having exhausted its financial resources the alternative of Government ownership by acquisition of the common stock, or through the medium of a receivership is the only one presented.

To Government ownership we are opposed. A reorganization of the capital liabilities, through the medium of receivership is the other resource. The liability of Canada in either event remains, the Government and the provinces having guaranteed the great sum of $211,000,000 of bonds of the company. It is, however, necessary to learn the extent of the liability taken over by Canada in the Bill now before Parliament. What assets are acquired? What obligations incurred? If there be a margin on the debit side of the account, if Canada is assuming a debt over and above existing guarantees, the public may not unreasonably ask why. The railway is a fine property with excellent prospects, but after all is said, it is a business venture which should be allowed to face the consequences of all business ventures. One thing is certain; the country should not be saddled with any avoidable liability. The debt created by the war is already large, and constantly increasing. New sources of taxation have to be tapped. The outlook is by no means bright in respect of the Dominion finances and before the additional obligation of taking over the Canadian Northern Railway is incurred, it is necessary at the least that we should know precisely what is being purchased in the way of asset, and what is being incurred in the way of liability.

Having read those two articles to place the viewpoint referred to by the Solicitor General and the hon. member for St. John before the committee, I can only say the case might have been fairly met had the Government proceeded under the statute of

1914, as I submit they have not, without introducing this new legislation to provide for the payment of equity which is declared to have no value, and which I cannot but believe the statute of 1914 contemplated would not be of value. If that Act were relied upon to obtain possession of the Canadian Northern we would have been pursuing the course outlined in 1914, a course which I believe every member of Parliament thought would have been pursued in the event of default.

Sir THOMAS WHITE: My hon. friend has read two articles from the Montreal Gazette, with reference to this Canadian Northern purchase Bill. In both articles, so far as I have heard them, there was put forward the view that there should be a receivership, and the opinions expressed were against public ownership. That is the gist of the communication addressed to the Gazette—receivership and antagonism to public ownership. I will take the time of the committee to give my views with respect to the whole railway situation with which we are confronted, because it has a direct bearing upon the question which has been raised. The Gazette article states that the Government has no knowledge of the assets and liabilities of this system. That statement is absolutely incorrect in every particular. The Comptroller of the Railway Department has been through the books of the Canadian Northern Railway system time and again. In 1914 we had special audits made of the assets and liabilities of the company. If hon. gentlemen will take the trouble to look up the statute of 1914 they will find set out there the stock-holdings and the bond-holdings of the Canadian Northern Railway system which were pledged, with all the undertakings and all the assets of every kind whatsoever of the Canadian Northern Railway system, with trustees to secure the $45,000,000 bond issue guaranteed by the Dominion Government. Within the last two months we have had one of the best firms of auditors in the world, Messrs. Marwick, Mitchell, Peat & Co., make a most careful audit of the entire situation of the Canadian Northern Railway, both as to their assets and liabilities.

Mr. DEVLIN: What are their liabilities?

Sir THOMAS WHITE: If my hon. friend will look at the balance sheet which has been laid on the Table, he will find the liabilities, and he will also find a statement of the assets. We have exhausted every effort to ascertain the precise situation. Messrs. Drayton, Acworth and Smith made a painstaking examination of the entire situation; and before we make an agreement the audit will be continued down so as to verify the present figures. We are not going into this with our eyes shut. We know what we are taking over. We know what the Canadian Northern system consists of, and we know what the liabilities are.

Mr. DEVLIN: Without interrupting the minister—

Sir THOMAS WHITE: My hon. friend is interrupting. I will answer the questions of my hon. friend later on.

Mr. DEVLIN: Very well.

Sir THOMAS WHITE: Supposing the Government of Canada was taking over the Canadian Pacific Railway to-morrow, as has been talked of—it has not been put forward by the Government, but it has been talked of through the country—does my hon. friend suggest we should expropriate the physical undertaking of the Canadian Pacific Railway, or should we buy its shares? The only suggestion which has ever been put forward, so far as I know, is that we should buy those shares at a price, or guarantee a certain dividend upon those shares. Supposing we came to ascertain how much we should guarantee as dividend on the shares, or how much we should pay for the shares, could there be any fairer way devised than to submit the matter to the arbitrament of a board constituted as this board is to be constituted? There must be some way of reaching a conclusion as to a fair price for whatever the Government is purchasing. That is exactly the position so far as the railway situation in Canada is concerned, and there is no use blinking it. Business men outside cannot understand this situation as the Government understands it, because we have been confronted with it for the last six years. It is not a theory; it is a condition. Ever since we have come into power, the Canadian Northern Railway Company and the Grand Trunk Pacific Railway Company have been in such a condition that they must have help or they would not be able to go on. There is no question about that. Who is responsible for that?

When it comes down to dealing with what this Government is doing now, let us ask ourselves why we are doing this, and why we are obliged to do it. What is the position of the Government with regard to the railways of the country? The policy of the National Transcontinental, which involved

an expenditure of $200,000,000, and the policy with regard to the Grand Trunk Pacific, in respect of which we have had to bring down grants for millions every year, and in respect of which there is in the Estimates a grant to-day of $7,500,000 to meet one year's shortage; the situation under which we have had to help the Canadian Northern to complete its construction and to carry on—all that has been the result of the policy of hon. gentlemen opposite. I do not wish to be understood as criticising them at this time with regard to these matters. I simply desire to say this, that this Government has been confronted with a situation which it has not brought about, which has been brought about by a policy of a Government which was in power before we took the reins of office, and we have had to deal with that situation as best we can. What are the alternatives with regard to the Canadian Northern Railway system? There are just three. The one mentioned in that article in the Gazette, and mentioned by one or two hon. members in this House, is to appoint a receiver. Both Government and Opposition in this House have time and again stated that they are opposed to that course. Hon. gentlemen opposite, through their leader, have expressly stated, time and again, that a receivership is not to be thought of. The hon. member for South Renfrew (Mr. Graham) has taken that position. So far as I know, those hon. gentlemen opposite who have been connected with the late Government, and their followers, have taken that view, namely, that there is not to be a receivership. I think that is a sound view. Sir Henry Drayton and Mr. Acworth thought that was a sound view; they said it would not do to have a receivership of this road. It is idle, at this stage when this Bill is before the committee, to say that we should have a receivership, because both sides of the House, as well as the commission we have appointed, have expressly and distinctly stated that there must be no receivership. Why is that a sound view? It is put forward that in the United States there have been receiverships of railways, but there have been no railways in the United States whose credit have been involved with the credit of the Federal and State Governments in the way in which the credit of this railway is involved. The point is that the credit of the Dominion through its guarantees, and the credit of the provinces, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, through their guarantees, are absolutely involved with the finances of this railway company, and consequently if we throw the system into liquidation, the most calamitous results would ensue so far as concerns the credit of the Dominion and of the provinces. There is no question about that, and that has been the ground upon which both sides in this House—and after all it is the parties in this House that have to determine policy—have determined against a receivership and against liquidation. Hon. gentlemen say to me: Why do you not foreclose? So far as the equity of the situation is concerned, if an ordinary mortgage is foreclosed, the court usually orders a sale in order to determine if there is any value in the equity of redemption. At common law in the old days, they would foreclose. Equity steps in and says: That is not fair; you must offer the property for sale to see if there is an equity of redemption. In other words, it is equitable that an investigation or sale proceedings should be had, in order to determine whether the owner of a property which is mortgaged are entitled to any equity. Even if we put into effect the legislation of 1914—and I believe I can give the committee good reasons why it should not be put into effect—it is stated in that legislation that we may foreclose, subject to such terms and conditions as Parliament may prescribe.

Mr. PUGSLEY: If any.

Sir THOMAS WHITE: If any. I say, it would be open to Parliament and it would be equitable for Parliament to hold just such an investigation as we purpose holding in order to find out if there is any equity. It is nonsense to speak about large sums of money by way of award. What is the position of this company? This company is not earning its fixed charges. It is earning $11,000,000 over its operating expenses, and its fixed charges are $15,000,000. It is therefore, idle to speak of an award running into $25,000.000 or $30,000,000. Is it common sense or good sense? What do Messrs. Drayton and Acworth say? Although they found, as they stated, no existing equity, they said that it would be equitable to allow something to the owners, and they suggested an arbitration for the purpose of determining what amount of stock the present proprietors of this road should have in the Dominion Railway Company which they suggested should be incorporated. I pointed out to the House that, in that report of Messrs. Drayton and Acworth, a perfectly admirable report, an excellent report. thought out most carefully

in all details, they had by inadvertence, overlooked certain assets of the company. I have here a letter from the financial comptroller of railways. I made the statement to the House upon information which he had given to me. His letter, which is dated August 15, 1917, reads:

Dear Sir:—

Referring to our conversation of this morning in which you asked whether in your remarks in the House of Commons yesterday, as reported in Hansard, pages 4644 to 4648, inclusive, you had correctly conveyed the information which I had previously furnished you, that in the findings of the majority report of the Royal Commission appointed to investigate the railway situation in Canada, that the statement, based on Professor Swain's valuation of the physical property of the Canadian Northern Railway system showing there was no equity, was in error.

I may state that it is quite clear that there is an error in that part of the Commissioners' report; the following assets on the asset side are omitted:

Cash	$25,000,000
Accounts receivable	8,890,000
Operating materials and supplies..	916,000
Earnings, freight in transit..	558,000

Lands Assets.

Lands unsold, 3,245,987 acres.

Deferred payments and accrued interest, $6,662,000.

On the liability side, there is a shortage of some $25,000,000.

Yours faithfully,

(Sgd.) G. A. Bell.

I stated expressly to the House the other day, and I state again now, that the difference between book assets and book liabilities is not a test as to the value of the common stock. It by no means follows that the common stock is at all equal in value to the difference between the assets and liabilities of the company. The best test is earning power, as was pointed out by Professor Swain, and in trying to reach a conclusion as to what arbitrators might fairly adjudge, we must bear in mind that this company, although its future prospects are promising, is not to-day earning its full bond interest. The Government is confronted with a condition and not a theory. If we do not allow this railway system to go into the hands of the receiver, with all the consequences which I have mentioned, there is only one of two destinies for the Canadian Northern Railway Company, and no hon. member here can dissent from this proposition. If the Canadian Northern Railway Company does not go into the hands of a receiver, there are in Canada only two organizations strong enough to hold it: One is the Dominion Government and the other is the Canadian Pacific Railway Company. You have three alternatives: receivership and liquidation; ownership by the Government of Canada, or ownership by the Canadian Pacific Railway Company.

Let us look at the matter from another standpoint. Apart altogether from the Canadian Northern Railway Company, we are confronted with the Grand Trunk and the Grand Trunk Pacific Railway Companies. There is no use in our closing our eyes to the fact that every year we have had to aid the Grand Trunk Pacific to the extent of millions of dollars. What is going to be its future? Are we going to continue, year after year, aiding this railway?

Let us see what lies ahead of the Dominion of Canada. How many railways are we going to have on our hands? We have already the Intercolonial, which is ours. We have the National Transcontinental from Moncton to Winnipeg, which line is ours. The Grand Trunk Pacific railway must come in. There is also the Grand Trunk, which has liabilities in connection with that railway. I do not forecast the future with respect to that situation, but I say that the Grand Trunk Pacific in the West and the National Transcontinental need the Canadian Northern railway in the West to supplement them, if we are going to make them a success. Therefore, whether people are in favour of public ownership or not, the matter comes down to this, that if we are going to carry out the railway policy which has been forced upon us by the situation I have described, we need, in addition to the National Transcontinental and the Grand Trunk Pacific, the Canadian Northern railway system in the West.

We need it because the Grand Trunk Pacific has no feeders. Who is responsible for all that? What is the Government to do? Should the Government let the company be wrecked and bought up here and there, bit by bit? No. Looking to the future we know we shall have the Grand Trunk Pacific and we may have other roads. We have the National Transcontinental. And what about the Canadian Northern, which fits into the Grand Trunk Pacific system in the West? Hon. gentlemen opposite have moved resolutions in this House—and the statement I shall make is not going to be a sweeping statement with regard to them, because I believe there are mixed opinions among hon. gentlemen opposite about this

matter; indeed, they have so expressed themselves. Some of them, I believe, are in favour of public ownership; some are opposed to it, and some are in favour of a continuation of aid from year to year. But they have united upon a resolution, and let me say that every word in the article read from the Montreal Gazette by my hon. friend (Mr. Graham) was opposed to the resolution for which he voted the other day in this House. He voted the other day for a resolution under which we were to take over the entire Canadian Northern system, lock, stock and barrel, by foreclosure, and in the worst way, not in the best way, as I shall show my hon. friend in a minute. Everything that my hon. friend read from the Montreal Gazette, if he believed it, was a condemnation of his vote the other day, because he voted for taking over the entire system, lock, stock and barrel. But not only that. In 1914 he voted for acquiring the stock in precisely the same way that we are acquiring it now; but he proposed to do it in a more foolish way than we are adopting, because he fixed a maximum price of $30,000,000, which we would never have thought for a moment of fixing. Why was the course he took the other day a foolish course as compared with the course we have adopted? We are now in the fourth year of this war. I listen to honourable gentlemen opposite sometimes, talking about money rates. There are no better fellows that I know than hon. gentlemen opposite, and when I say that they sometimes fail to realize that we are in the midst of a war I do not mean in any way to impeach their interest in this war, because it is just as great as my own. What I mean is this: Do they realize that we are in the fourth year of this war, and that financial conditions in this world are as they are to-day? They do not. I realize it, because I am brought into contact with it every day, and have to face it. It is true we have to pay a higher rate of interest for money. Why? Because the world has been for years at war; that is the reason why I realize, as I think no other man in this House realizes, that to our financial position we should give the most attentive consideration from day to day, and week to week, and month to month. Do hon. gentlemen opposite think that we on this side of the House desire to take over a railway system unless it is in the public interest to do so? But what is the alternative? Although we are at war, this railway situation is here and we have to face it. Hon. gentlemen opposite can sidestep it, but we cannot. We have to face it and we lay down this proposition: That so far as the Canadian Northern system is concerned, instead of going on paying out $15,000,000 or $20,000,000 every year to make good the shortage and enable them to carry on, we will take over the system for the people of Canada. Back of a good deal of criticsim of this measure—I do not say back of all the criticsm—is antagonism to the principle of public ownership, rather than criticism of method. The Dominion of Canada has had quite an experience in public ownership. It owns a great system of railways to-day. It owns the Intercolonial and the National Transcontinental. Throwing our imagination ahead we can see what lies before us, and the question is, shall we acquire the Canadian Northern system or not? Personally, I believe that in five years' time the Canadian Northern system, in the hands of the Government and financed by the Government, will be a great system, but if we let it go into liquidation we shall lose it to the people of Canada.

5 p.m.

Mr. CARVELL: It depends on how much money you squander in connection with it.

Sir THOMAS WHITE: We won't squander any money in connection with it. If we do not do that, we should have only a straight line of railway from Moncton to Prince Rupert, with no feeders in the West. The hon. member for Carleton is as level-headed a man as there is in the House, practically speaking, and he knows as well as any man, that a straight line like that is not going to give the results that we should like to see given by a transcontinental system owned by the Government. What did the Drayton-Acworth report say about that? They point out that the Canadian Northern system is vital to the successful operation of the Grand Trunk Pacific in the West, and they also indicate that the Grand Trunk is complementary to the Canadian Northern in the East.

Hon. gentlemen opposite say: Why don't you foreclose and take the physical properties? Hon. gentlemen who put that forward have not thought the matter out. If we were not at war, if we could readily raise $100,000,000, $200,000,000, or $300,000,000 that we do not require for the purposes of war, it would be feasible, but it is not feasible to-day, and I will tell you why. If we foreclose on the Canadian Northern railway under the mortgage, what do we get? We

get the roadbed and the physical properties of the Canadian Northern Railway company. We also get the stocks and bonds of the underlying companies; hon. gentlemen have overlooked that. The stocks and bonds of the underlying companies, which are included in the assets of the system as laid before this House, will still be outstanding. So that the difference would be this: Instead of owning $100,000,000 of stock of the Canadian Northern Railway company, which would enable us to control the Canadian Northern railway and all its constituent and subsidiary companies, we should have the physical property of the Candian Northern railway only, and the stocks and bonds which are embraced in the trust mortgage which was taken under the legislation of 1914.

Mr. PUGSLEY: Does my hon. friend say that that would be the result if section 24 were acted upon?

Sir THOMAS WHITE: The mortgage which was taken embraced the undertaking and the physical assets of the Canadian Northern Railway company, and there is pledged in addition to that, the stocks and bonds mentioned there.

Mr. PUGSLEY: In which case the statute says that the whole system would be vested in His Majesty, subject, of course, to the outstanding underlying liabilities.

Sir THOMAS WHITE: Let us see what position we should be in. Hon. gentlemen talk about our serious financial position due to the war. Now what would be our position if we took over the physical properties? Lt us assume that my hon. friend is right, and that we should take over the physical properties of all the underlying companies, although by the mortgage it is the undertaking of the Canadian Northern railway and the stocks and bonds of the underlying companies that are pledged. But let us assume he is right, although he is not right. If we have the physical properties of the Canadian Northern railway, and the Canadian Northern Quebec, the Canadian Northern Ontario, and of the other constituent companies, what becomes of all the underlying liabilities? They are there and have to be taken care of. How could we get title in fee simple to the properties of the Canadian Northern Railway system, without clearing up the indebtedness? Suppose that under the statute we reorganize; what does that mean? It means creating a new company, and negotiating with the present bondholders of the existing companies, because the new company would be a separate entity.

Mr. PUGSLEY: Why has all that to be done? Why would not the new company take it, subject to all that?

Sir THOMAS WHITE: What about the floating indebtedness?

Mr. PUGSLEY: If you take the stock you have to pay the floating indebtedness.

Sir THOMAS WHITE: Supposing we foreclose and wipe out the Canadian Northern and its shareholders? There are outstanding to-day over $100,000,000 of short-date liabilities for which the Canadian Northern is liable. Supposing we foreclose and take all the properties of the Canadian Northern away from them, what is the legal position? The legal position is that the Canadian Northern, without any other assets, is liable for these short-date obligations. Does my hon. friend mean to say that a railway company in that position, and which is only a name, because we take its property away from it, can renew its loans?

Mr. PUGSLEY: Why not, because these bankers in New York only hold guaranteed securities as collateral, and they would be glad to substitute notes of the new company.

Sir THOMAS WHITE: I do not agree with my hon. friend for a minute. We take away all the assets of the railway company and leave only a name. There are outstanding liabilities for notes secured by collateral, guaranteed or not guaranteed, and these loans will be called. What happens to the Canadian Northern? It has to be foreclosed and a receivership is the result. That receivership means default under the trust mortgages upon the property. The principal may become due and payable and you have the whole financial situation about your ears.

Mr. PUGSLEY: Those difficulties are all imaginary.

Mr. MACDONALD: Have you not to take care of the short-date securities now?

Sir THOMAS WHITE: Yes, because the Canadian Northern to-day is a running system.

Mr. MACDONALD: That does not make any difference to the amount of the short-term notes which you must renew.

Sir THOMAS WHITE: It makes all the difference in the world if you have taken

away the properties of the Canadian Northern. Does my hon. friend not realize what the effect will be?

Mr. MACDONALD: Now you are only quibbling.

Sir THOMAS WHITE: I am not quibbling. Then you have the unsecured indebtedness of the Canadian Northern. Suppose you foreclose and take away the assets and properties of the Canadian Northern, what about this unsecured indebtedness?

Mr. MACDONALD: You have to take care of this short-date obligation now.

Sir THOMAS WHITE: The obligation can be financed now, but it would become altogether different if you were to foreclose, because if a receivership were appointed all these other things would happen.

Mr. PUGSLEY: If a receivership were appointed you have section 24 and you would become the absolute owner of the whole Canadian Northern system. How could a receivership adversely affect the new company?

Sir THOMAS WHITE: It would affect it very seriously. If my hon. friend will look at the trust mortgages securing the bond issues against the Canadian Northern he will find that one event of default is the appointment of a receiver. A receiver of what? Of the present company. If a receivership takes place default occurs under these mortgages and you have this financial situation that I have mentioned.

Mr. PUGSLEY: Then section 24 is not so good as the minister said it was in 1914?

Sir THOMAS WHITE: It would be in ordinary times. In ordinary times a complete arrangement could be made to finance the Canadian Northern. The Government could substitute its securities for other securities which run from 20 to 40 years and the situation could be dealt with in that way. It cannot be dealt with to-day at all. It is not possible having regard to the financial condition. Thus, to-day, the proper course to take is the course which preserves the Canadian Northern Railway company as a corporate organization in order that it may continue its financing. There is a loan of $11,500,000 coming due in New York. The Canadian Northern has to renew that loan in New York. If the Canadian Northern were wiped out as an entity that loan would have to be met, and you would have a financial situation of some gravity. As far as the course we are adopting is concerned, it is the best course having regard to finance. It is a course which is greatly preferable to foreclosing if the principle is adopted that the equity of redemption, if there is any value in it, is entitled to be valued. If that principle is adopted, and I submit it would be adopted by Parliament, as it is adopted by the courts, that is the most preferable course and it is the course that hon. gentlemen opposite voted for and is practically the same as that which we favour on this side of the House except that the one that we put forward is better from the standpoint of finance to that which they have put forward.

The statement that we do not know what the assets and liabilities are is not correct. We have made a very full investigation. Over a course of years that investigation has been proceeding. Auditors have gone through the books. The accounts of the company have been verified, and will be verified further, as to the financial condition, before any agreement is entered into. This House has ample information upon which to reach a decision upon a question as large as this. If you were taking over a small concern with assets of a few hundred dollars you would examine into everything to the minutest detail. I suppose that could be done. Of course, the Government would never be taking over anything of that kind. An individual would pursue that course but when you are taking over a great railway system like this, if you get at the liabilities, the bonded indebtedness, the floating indebtedness, the physical properties, the bonds, stocks and other securities it holds, and its earning power, you have substantially all the information necessary upon which to form your judgment because this is such a large transaction that you cannot get down to a matter of the uttermost detail.

Mr. PUGSLEY: The minister asks: What about the unsecured floating indebtedness? I take it that is the unsecured floating indebtedness which the Government must assume. What is the amount of that? We have had no actual information as to the unsecured floating indebtedness.

Sir THOMAS WHITE: The fact of the matter is that my hon. friend has been so busily engaged in connection with the soldiers' votes Bill and other matters that he has not taken the trouble to examine the information which has been placed before

Parliament because this is all in the blue-book.

Mr. PUGSLEY: Would the minister give it to us, succinctly, in round figures?

Sir THOMAS WHITE: My hon. friend will find it in the balance sheet of April 30, certified to by the auditors and which we placed on the Table the other day. This transaction should be considered in the light of the railway situation. It must be considered in that way having regard to the fact that we have four transcontinental railway systems in this country, that the Government has the Intercolonial, the National Transcontinental and that it will probably have the Grand Trunk Pacific. Are we going to lose the Canadian Northern at this time?

Mr. PUGSLEY: We do not need to lose it under section 24.

Sir THOMAS WHITE: But the hon. member for South Renfrew (Mr. Graham) set up the criticism, which he made his own, from a newspaper to the effect that public ownership was a mistake and that there should be a receivership. I am addressing myself to that. I say that this transaction must be regarded as a step forward in public ownership. If we lose this Canadian Northern Railway company in the West, we will not have feeders for the Grand Trunk Pacific company.

Mr. PUGSLEY: Better build 100 branch lines in the West than take this.

Sir THOMAS WHITE: If we eliminate receivership as a possibility, and it has ben opposed by both parties in this House, there are only two possible destinies for this railway, the Canadian Pacific railway or the Dominion of Canada. My own strong view is that the people of Canada will insist that this Canadian Northern railway should belong to them.

Some hon. MEMBERS: Hear, hear.

Sir THOMAS WHITE: That is my own view of it. We are preserving the organization of that railway in the way we are taking it over, with a plan that is absolutely fair for determining the value of the common stock which we do not hold. In a word, the transaction is this: That the Dominion of Canada owns $40,000,000 of this stock; we are the minority shareholders. Mackenzie, Mann & Company, Limited, hold the whole balance. Instead of continuing to pay out money, the ultimate benefit of which would go to them, we say: We are going to buy you out so that the ultimate benefit of whatever we pay over will enure to the people of Canada, and to do that we suggest arbitration —and I do not know any fairer way.

Mr. PUGSLEY: The statement of the minister makes the situation worse than I thought it was—decidedly worse. The minister has said that there is in the vicinity of $100,000,000 of unsecured—

Sir THOMAS WHITE: No, those are the short-date obligations.

Mr. PUGSLEY: The minister said unsecured floating indebtedness.

Sir THOMAS WHITE: No.

Mr. PUGSLEY: I asked the minister to state the amount of the unsecured floating indebtedness. He said I would find it in the blue-book. The hon. member for Pictou (Mr. Macdonald) informed me that it was $96,000,000.

Sir THOMAS WHITE: He is entirely wrong.

Mr. PUGSLEY: What is it? The minister should say what the unsecured floating liability which we are assuming under the purchase of this stock by arbitration is, because the moment we become the Canadian Northern Railway company we, ipso facto, become liable for all the obligations of the company, both secured and unsecured. Therefore the country has a right to know that.

Sir THOMAS WHITE: If my hon. friend looks at the balance sheet of June 30, 1916, he will see:

Temporary loans against deposit as collateral of inter alia Government Guaranteed Securities, the value of which at current prices exceeds the amount borrowed		$55,912,861.80
Due to other companies on Construction Account (Secured)		$16,666,957.26
Current Liabilities—		
Payrolls	$ 1,832,708.23	
Audited vouchers and other floating liabilities	11,161,443.88	
		$12,994,152.11

Thus there is a total of about $13,000,000 current liabilities. I did not say $100,000,000 unsecured, I said $100,000,000 representing short-date securities.

Mr. PUGSLEY: They are securities. I thought the minister used plain language. I understood him to say: What about the unsecured floating indebtedness amounting to $100,000,000? These are the words of the minister, and I was surprised that there

was such an enormous unsecured floating indebtedness. Now the minister explains that what he meant was an indebtedness to bankers against which they hold securities guaranteed by the Dominion Government and other good securities. Therefore I must assume for the moment, until the minister makes another statement, that practically there is very little unsecured floating indebtedness or floating unsecured indebtedness.

The minister says that section 24 of the Act of 1914 contained admirable provisions which could be well acted upon if these were not war times. I am unable to follow my hon. friend in the suggestion that that section is not just as good in war times as it would be in any other time. I have read with very great care the remarks which were made by my hon. friend in 1914 when he was seeking to persuade Parliament to authorize the Government to guarantee these bonds to the extent of $45,000,000. I have read his language with regard to the very great advantage it would be to give to the Government the power, or to reserve to Parliament the power, in the form of a statutory agreement—that is what it was an agreement entered into by the Canadian Northern interests—that in case default should be made the Government would be authorized to act and to declare by Order in Council the equity of redemption in all the premises covered by that mortgage to secure the $45,000,000 foreclosed. Now, what are the premises? The premises are the physical system of the Canadian Northern Railway company and the various constituent companies composing the system. What further are the premises which are mortgaged in that mortgage to secure the bonds guaranteed by the Government under the legislaion of 1914? They are all the various stocks in the subsidiary companies and the bonds, if there were any, which were held by the Canadian Northern Railway company. They all pass, under that mortgage, to the trustees appointed to secure these debentures. They are the premises which are covered by the mortgage, and under the provisions of section 24, the moment the Governor in Council passed that order for foreclosure, the equity of redemption would be absolutely wiped out and His Majesty would become the owner of the system. The position would be exactly the same as if, instead of purchasing the stock of the Canadian Northern Railway company, they, under legislative authority, were authorized to make a transfer of their equity of redemption in the Canadian Northern Railway system and all the constituent companies and in these various stocks, to His Majesty. Let me read again the words of that section, because I think it is very important that the country should understand it.

Sir THOMAS WHITE: So do I.

Mr. PUGSLEY: This Parliament, acting in good faith, upon the representations and the assurance of the Government as to the course which they would take in case there was any default, authorized this enormous obligation to be entered into. What are the words:

> If authorized by the Parliament of Canada, the Governor in Council may, on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding.

Sir THOMAS WHITE: What are the mortgaged premises under that statute? Get the definition.

Mr. PUGSLEY: They are, as I remember it, the whole Canadian Northern Railway system.

Sir THOMAS WHITE: Look it up.

Mr. PUGSLEY: We will find it in schedule 1 of the Act of 1914.

Sir THOMAS WHITE: And schedule 2.

Mr. PUGSLEY: Take them both. Let us read them. These are the stocks.

Sir THOMAS WHITE: Exactly.

Mr. PUGSLEY: The hon. minister knows what stocks are. This section says:

> The Bay of Quinte Railway Company—

Certain amounts are given here, but I will not read them.

Sir THOMAS WHITE: Pardon me, the point I make is this: that the mortgaged premises include not only the physical assets of the Canadian Northern Railway Company, but, in addition, the stocks and bonds of the constituent companies.

Mr. PUGSLEY: Quite so, and I presume that was all in the mind of my hon. friend the Solicitor General and the Minister of

Finance , and when, in 1914, section 24 was passed the Government knew what the mortgaged premises were. Undoubtedly they were the physical system and also these various stocks of the underlying or subsidiary companies, which were owned by the Canadian Northern railway. What difference does it make? Section 24 declares that the moment this legislation is passed the equity of redemption in all the system, all the stocks, and everything that was then owned and capable of being owned by the Canadian Northern, is foreclosed, and the title, subject only to the outstanding securities, becomes vested in His Majesty. It is exactly the same as if the Canadian Northern, under legislative authority, were executing a deed to His Majesty of its equity of redemption in the railway system, and in all these stocks. What did the Canadian Northern agree to do in 1914? My hon. friend talks about confiscation. The Canadian Northern came to the Government and said: "If you are willing to guarantee our bonds for $45,000,000, we will take the risk of carrying on, and we will agree with you that, if we make default, you shall be at liberty, through the Government of this country to pass an Order in Council foreclosing our equity of redemption, without the payment of one single dollar to us." That was the solemn agreement which Mackenzie and Mann and the Canadian Northern entered into with this Government, and it was upon the assurance that hon. gentleman gave to this Parliament and the country that they would have that power that Parliament authorized this great obligation to be entered into. What has been the experience since? Last year the company would have been in default, and it would have been the duty of the Government, if they had kept faith with Parliament, to have asked Parliament for authority to pass that Order in Council. Instead of doing that, the Government lent these gentlemen the further sum of $15,000,000, in order to prevent default, and to prevent the bringing into operation of section 24, which they assured Parliament they would bring into operation. The Finance Minister says to-day, "The company is again in default. We lent them $15,000,000 last year, but it was no good. They cannot carry on; they cannot pay their interest." He tells us to-day that it will take $15,000,000 to meet their fixed charges, and their net revenue is only about $11,000,000; in other words, they are $4,000,000 short, and these poor most worthy gentlemen are in the position that, if we do not lend them more money, they will not be able to pay their interest, or meet their obligations, and, therefore, in order that we may be excused from the duty of enforcing obligation which they voluntarily entered into, acting upon the agreement which they voluntarily made in 1914, which is embodied in the legislation contained in section 24, we want authority to appoint arbitrators to determine how much more money we have to pay in order to enable us to take over all their obligations, and to relieve these gentlemen and this company from the debts and liabilities which they have incurred. I do not think that is a reasonable proposition. There were two parties to the agreement in 1914. On the one side were Mackenzie and Mann, who said, "We want money to finish our road and purchase more rolling stock, and if you will agree to guarantee the bonds of our company, so that we will be able to raise money upon these bonds, we will undertake on our part, that if we do not pay the interest on them, you will be quite at liberty to take the necessary steps to foreclose our equity of redemption in this railway." Is there any injustice in this Government carrying out the agreement which was embodied in the statute? I am unable to see that Mackenzie and Mann would have anything to complain of if the Government simply said, "We are going to live up to the agreement which we made. You then said to us "If you will help us by these obligations, in case we are unable to pay our interest, you may take over the whole system without paying anything more, you may foreclose our equity of redemption, and become the entire owners of the property, subject to outstanding liabilities.'" Since that time, in the generosity of the Government, instead of acting upon the provisions of section 24, they have given them $15,000,000 more to enable them to carry on, which they have not done, and yet the Finance Minister says in effect, "Oh, we meant nothing by the legislation contained in section 24. We never intended to act upon it, we were only making a pretense to Parliament when we made that agreement with Mackenzie and Mann and embodied in the statute. We are going to treat the company as a going concern, perfectly solvent, and perfectly able to pay its obligations. We are quite willing to assume all the underlying indebtedness, take over their equity of redemption, and pay them whatever amount these third arbitrators we propose to have appointed

may determine the common stock is worth." By this Act, the Government is asking Parliament, in effect, to declare that the stock has a value. Parliament will declare, when this Bill is passed, that this stock has a value. The sole question for the arbitrators to determine is what that value is. To-day the Minister of Finance states that, if we foreclose the equity of redemption, it would not bring anything, but, in the next breath, he says that if it is held for five years it is going to be a great and valuable railway system. Is he not putting into the mouth of Mackenzie and Mann the very argument which they and their counsel will use before the arbitrators? When they come before the arbitrators they will say "There has been no default on our part. The Government of this country, recognizing the vast importance of this railway system, has helped us out by lending us money, so there can be no default."

By the statement which they have submitted they show that their revenues are greater than their operating expenses. They say their revenues have increased in recent years, until to-day they have reached the very handsome sum of $42,000,000 per year, and they will argue, just as my hon. friend the Minister of Finance argued to-day, that in five years from now this will be a wonderful system and of enormous value. Under this statute the Government do not limit the arbitrators to the market value of the stock to-day. They do not limit the arbitrators to the cost of reproducing this railroad system. They leave it open to the arbitrators to determine its value, not upon existing conditions, but under a statute and a reference under which they will be able, and under which it will be their duty, to take into consideration the prospective earnings of this railway, running over three, four, five, or even ten years, because that is what arbitrators with a broad reference, such as this statute provides for, can always take into consideration, and it is a fact which they are bound to take into consideration. Therefore, the Government is putting the people of this country in the position that in order to prevent the Government having the power to act under the clause which it boasted of in 1914, and foreclose the equity of redemption on this railroad system, as Mackenzie and Mann agreed in 1914 that they would be able to do as a part of the terms of getting the guarantee, instead of doing that the Government assisted them last year, and is to-day taking the position that the matter shall go before the arbitrators without the company being in default at all; leaving the company in the position of receiving at the hands of the arbitrators a very indefinite sum of money which, as I believe, may run into untold millions, and which might amount to the full par value of this stock. Is that just and fair to the people of this country? I say it is not. The agreement made with Mackenzie and Mann in 1914, which was embodied in the statute, when they were asking for this vast assistance should be carried out to the letter. The money which my hon. friends propose giving through those arbitrators to Mackenzie, Mann and Company, Limited, and their associates, is not their own money —it is the hard-earned money of the people of this country. Unless there is some obligation on the part of the country towards Mackenzie and Mann sufficient to justify the departure from that statutory agreement of 1914, is this Government, as trustees of the people of this country, and is this Parliament, as trustees for the people of this country, acting fairly towards the taxpayers of Canada when they put themselves in the position in which this country will be called upon to pay many millions of dollars towards Mackenzie, Mann & Company, Limited? Let us see if there is any objection to acting upon the authority contained in section 24. My hon. friend says there are a lot of outstanding notes of the Canadian Northern Railway company. These notes are secured by good Government security. If the Canadian Northern Railway company has no property over and above what is pledged to secure those various obligations, then the bankers who have lent the money upon those short-term notes scured by those guarantee obligations have trusted to the security of the obligations, and not to the security of the Canadian Northern Railway company. Suppose the mortgage is foreclosed under section 24, it would have the effect of investing the entire system and all its underlying stocks in His Majesty. What is to prevent His Majesty from at once incorporating a new company, which would have all the powers of the Canadian Northern Railway company, and which would be freed from all the unsecured obligations now existing against the Canadian Northern Railway company?

Mr. STEVENS: Does my hon. friend advocate that the Government of Canada should exercise its powers so as to evade or repudiate its liabilities simply because, as he suggests, they may not be properly secured?

Mr. PUGSLEY: No, I am not suggesting that. For the moment I am meeting the suggestion of the Finance Minister to the effect that these obligations, being outstanding, would in some way embarrass the Government if it acted under section 24 and became the owner of the system, or was obliged to form a new company. Having become the owner of the system under the authority of section 24, and having formed the new company, what would the Government do? It would at once inquire into the securities which it had taken over under that order. It would find a certain number of valuable securities in the city of New York —securities guaranteed by the Governments of the Dominion and of the different provinces. It would find certain loans had been made against these securities. I ask you, Sir, if the new company, known to be a company acting for His Majesty, would have any more difficulty in securing a renewal of those loans than the Canadian Northern Railway company itself would have? Would not its security be as good as or better than that of the Canadian Northern Railway company? It would own all the property the Canadian Northern Railway company owns today, and the company would be a new one free from all entanglements and obligations of every kind and description, and having at its back the Government of Canada, as representing His Majesty the King. Yet the minister says this new company, organized under those circumstances, would have difficulty in renewing its short-term obligations held by the bankers of New York against absolutely good guaranteed securities. The minister has formed the idea, based upon something I do not understand, that if section 24 were acted upon it would give somebody an opportunity to put some company into the hands of a receiver. As a matter of fact, it would not do anything of the kind. It would simply put His Majesty, or the new company to which His Majesty would transfer the property, subject to these outlying securities, in exactly the same position as if the Canadian Northern Railway company transferred its equity of redemption to the Crown under legislative authority.

Sir THOMAS WHITE: What would happen with regard to the floating indebtedness?

Mr. PUGSLEY: I have just spoken of it. My hon. friend is now speaking of some secured indebtedness.

[Mr. Stevens.]

Sir THOMAS WHITE: I am speaking of both. Take the unsecured indebtedness.

Mr. PUGSLEY: I cannot find any unsecured indebtedness, except about one million dollars.

Sir THOMAS WHITE: Take the indebtedness which is secured, but not by Government guaranteed security.

Mr. PUGSLEY: Secured by what?

Sir THOMAS WHITE: Say, by Canadian Northern debenture stock, or by some other security not guaranteed by the Government —in other words, not high-class collateral.

Mr. PUGSLEY: What is the idea of the Government when it takes over the stock of the Canadian Northern Railway Company? It is that the Government will go to the holders of those securities, to the bankers who have lent money, who hold those short-term notes and say to them: We new represent the Canadian Northern Railway company, and we want you to extend those loans. What would hinder the Minister of Finance from doing exactly the same thing if a new company were formed to hold the equity of redemption? Could not his representative, through this new company, go to those bankers in exactly the same way and say: We now own the equity of redemption in these securities that are pledged to you; we want you to extend your loans against them? Would not the bankers do that just as well for the new company with the Government of Canada behind it and owning all the stock of it, as if the Govenment went to them saying: we own the stock of this old company, the Canadian Northern? Where would be the difference? In the one case you have a new company free from all entanglements, free to act as it might in the best interest of the country. In the other, you have an old company with many entanglements, about which we know nothing to-day, but about which we may discover something later on if this legislation goes through.

Sir THOMAS WHITE: Does my hon. friend take the position that the new company would pay or provide for the payment of all the unsecured as well as the secured loans?

Mr. PUGSLEY: Certainly, just—

Sir THOMAS WHITE: What is the use in doing that if the value of the equity of redemption under the legislation of 1914 would have to be considered?

Mr. PUGSLEY: It would not have to be considered at all.

Sir THOMAS WHITE: That is just the point.

Mr. PUGSLEY: I am answering the point that the Minister of Finance made that there would be, in connection with a new company, inconveniences and difficulties which would not exist if His Majesty acquired the stock of the old company.

Sir THOMAS WHITE: But there would at least have to be a substitution.

Mr. PUGSLEY: A substitution of liabilities, certainly.

Sir THOMAS WHITE: What then is the advantage?

Mr. PUGSLEY: There is no advantage to Mackenzie, Mann and Company, Limited. There is an advantage to the country, namely, that the country may be saved from the further payment of $60,000,000. The advantage to the people of this country is that they would be saved from paying whatever amount those three arbitrators might determine should be paid, having in view as I have said, not merely the value of the stock to-day, but its prospective value based upon its prospective earnings, which amount there is no obligation legal or moral upon this country to-day to pay if we choose to act under the provisions of section 24 of the statute of 1914. I am endeavouring to meet the objection that the Minister of Finance has so speciously put forward that there are some difficulties in connection with a new company.

Sir THOMAS WHITE: There would be.

Mr. PUGSLEY: There would not be one iota of difficulty, and no one knows that better than the Minister of Finance. He is only putting that up as an argument in order to try to escape, if he can, from the consequence of his not acting upon the legislation of 1914. He says that, in some way or another, if the equity were foreclosed by Order in Council, somebody could put the property into the hands of a receiver. That could not be done, because His Majesty, as the owner of the system, would meet the liabilities, would meet the interest charges, just as the Crown is bound to meet the interest charges if it becomes the owner of this $60,000,000 worth of stock, and just as any man purchasing the equity of redemption in a property would be obliged to pay the taxes and the interest upon any mortgage which might be upon the property.

Sir THOMAS WHITE: I was dealing with the case in which the Government would foreclose and not pay the unsecured or floating indebtedness, or the short-term liabilities. I said that, if that were not done, then receivership of the Canadian Northern would follow with the consequences I mentioned.

Mr. PUGSLEY: The minister was assuming that the Government, in case they foreclosed the equity of redemption under section 24 of the statute and formed a new company, might act differently with respect to the outstanding obligations from what they would do if they took over the stock of the Canadian Northen Railway company.

Sir THOMAS WHITE: That was the argument of hon. gentlemen opposite.

Mr. PUGSLEY: I thought the minister was arguing that if, in some way or another, section 24 were acted upon and the equity of redemption foreclosed by Order in Council, somebody would be able to put this system into liquidation.

Sir THOMAS WHITE: I was discussing the consequences which would follow from not paying those unsecured or short-term liabilities, because I understood hon. gentlemen opposite were putting forward the suggestion that we should foreclose and no more. In confirmation of that, might I point out to my hon. friend that he himself suggested to-day that we should repudiate the liability on the debenture stock which was issued with the land grand as security?

Mr. PUGSLEY: The debenture stock?

Sir THOMAS WHITE: Yes. My hon. friend suggested that we should foreclose and not assume that particular indebtedness.

Mr. PUGSLEY: Does the minister say that the debenture stock was issued against the land?

Sir THOMAS WHITE: It was issued with the land as security.

Mr. PUGSLEY: Does he mean that there are $46,000,000 of securities out against those lands?

Sir THOMAS WHITE: The land grant debenture stock of which my hon. friend was speaking.

Mr. PUGSLEY: I call them land grant bonds.

Sir THOMAS WHITE: But they are a liability of the company.

Mr. PUGSLEY: I thought the minister had in view the land grant bonds. Surely the minister meant—certainly his language would lead one to believe that he meant that, if section 24 were acted upon and the equity of redemption were foreclosed by Order in Council, there would necessarily arise a condition of affairs under which creditors would be able to put the system into the hands of a receiver. I am glad the minister did not mean that. I did not see how such a result would follow. Of course, I realize, and every one realizes, that, if the Government became the owner of the equity of redemption by virtue of an Order in Council, foreclosing under an agreement entered into in 1914, and if the Government did not pay the interest upon the obligations against that property, there would be a receivership, and there would be a foreclosure of those mortgages. My answer to that is this: that the Government could, in the name of His Majesty, become the owner of the property under an Order in Council barring or foreclosing the equity of redemption, and then be, so far as all those outstanding securities are concerned, in exactly the same position as the Canadian Northern is in to-day. If any of those bonds run for 40 years, they would still run for 40 years; if any of them run for 20 years, they would still run for 20 years. Therefore, there would be no inconvenience whatever, but on the contrary, there would be the advantage of having a new company with a new organization, which would be acting for His Majesty under the provisions of the statute of 1914.

What would we get rid of in that way? We would get rid of the probability of having to pay out an enormous sum of money under this arbitration to the holders of the stock of the Canadian Northern. Is that not something to get rid of? Some honourable gentlemen opposite argue that it would be confiscation to take that course. Surely, it would not be confiscation to carry out an agreement that has been entered into. Suppose a man has a mortgage on my property and the interest upon it amounts to the rental and the taxes and the cost of repairs, and I go to him and say: 'I want to borrow $5,000 more upon the property; I have faith and believe that I can carry the thing through; I agree that if you will lend me $5,000 you can take charge of the property if I make default in the payment of the interest; I will hand you an agreement releasing my equity of redemption in the property; it is yours, without your being obliged to take any proceedings for foreclosure or putting the property up for sale. I act upon the agreement and the mortgagor acts upon it. Could I say afterwards that I was treated most shamefully because my agreement was simply carried out in the letter and in the spirit in which I made it? Is not that exactly the same position as between Mackenzie, Mann and Company and His Majesty, as represented by the Government of the day? After they have received millions and millions of the public moneys Mackenzie, Mann and Company ask for further assistance. They said to this Government "Give us the assistance and if we do not pay the interest upon the money, if we make default in any respect, we agree that Parliament may authorize you, simply by Order in Council, without any legal proceedings whatever, to bar our equity in the property and take over and become the absolute owners of the system." That was the agreement, and all we ask is that it be carried out.

At six o'clock the committee took recess.

After Recess.

The committee resumed at eight o'clock, Mr. Rainville in the Chair.

Mr. PUGSLEY Mr. Chairman, just before recess I was speaking of what I thought was the untenable position taken by my hon. friend the Minister of Finance that if this railway system was acquired in any other way than by taking over this stock, it might lead to complications. I thought I largely answered that argument of my hon. friend. Indeed, I understood that he admitted that there would not be any complications arising with respect to a new company, if the Government acted under section 24 of the statutes of 1914 and foreclosed equity of redemption under the statutory agreement, and that if a new company were organized by the Government it would stand in a position just as good as that of the Canadian Northern Railway company. In the one case the Government would own all the stock of the new company and in the other case, by virtue of this Bill, the Government would simply own the stock of the Canadian Northern Railway company. I was endeavouring to deal with the question from the standpoint of the Government taking over the system and becoming liable for the underlying obligations. Of course, if the Government were simply to expropriate the property

and have it valued by the judge of the Exchequer Court, I have very little doubt, from the evidence which we have as to the actual cost of the road, that the Government would get the system for a great deal less money—for many millions less—than is represented by the existing securities. There are something like $147,000,000 of securities which are not guaranteed by either the Dominion or any of the provinces. I presume these securities are held by strong financial men, by bankers and others who could afford to lose a portion of their securities just as well as the country could afford to pay them money which is not represented by the system. But, if the Government decide that it is better, for reasons connected with maintaining the public credit, to pay this $147,000,000 of obligations which are unsecured by any public authority, a proposition with which I do not at all agree, when it does seem to me that the road ought to be taken under the authority of the statute of 1914 and under the statutory agreement which was then made, instead of taking a step which means in all human possibility—indeed I think, necessarily means—handing out a great many more millions of the money of the people of Canada to Messrs. Mackenzie and Mann and their associates.

I am sorry that I did not have an opportunity of hearing the Solicitor General (Mr. Meighen) this afternoon, as possibly he referred to the remarks which I had made. I was obliged to leave the Chamber to attend a committee meeting. But I shall have an opportunity of seeing his remarks in Hansard, and possibly there may be an occasion later on in the discussion of the Bill when I can give attention to his observations in case they seem to require some reply from me.

The Minister of Finance gives an extraordinary reason for taking over the Canadian Northern Railway system. When he seemed to fail in argument as to the reason for this extraordinary step upon other grounds, he said: "Why, Mr. Chairman, we must look ahead; there is a great transcontinental railway system extending from Moncton to Winnipeg already owned by the Government, and built with Government aid from Winnipeg to the Pacific ocean; it is capable of being a great railway system, and the Government must take it over in the near future." That is the effect of what my hon. friend said, but, he added: "That road has no branch lines," or, "that road is lacking in branch lines, and we want the Canadian Northern railway in order to supplement the Grand Trunk Pacific system." Is it to be suggested for one moment that this Government is to be plunged into an obligation of $500,000,000 and upwards in order to secure a system of branch lines for the Grand Trunk Pacific? Did any one ever hear of such an extraordinary suggestion? It will be better to wait until the Government acquires the Grand Trunk Pacific system, and then build all the branch lines necessary to tap the country north and south. You could build all the branch lines you want in the Canadian West, even at present prices of labour and materials, for $20,000 a mile. For $40,000,000 you could build 2,000 miles of branch lines to feed the system of the Grand Trunk Pacific. But, instead of that, my hon. friend suggests, as a reason why we should take over the Canadian Northern Railway system and bind the country to this vast obligation, that we want branches in order to feed the Grand Trunk Pacific system. If that is the best reason my hon. friend can give, I do not think his proposal will give very much satisfaction to the people of this country.

There is another reason why this measure should not be pressed. It is taking a very great departure; it is providing for the government ownership of a great railway system. This question has never been submitted to the people. Speaking for the people of my own province, I am satisfied I represent their opinion when I say that they are not in favour of imposing this vast obligation upon the Canadian public at the present time. I deny the right of this moribund Parliament—this Parliament which died a constitutional death nearly a year ago, and which is in existence to-day, not by the votes of the people, but simply by our own votes, and as the result of a resolution which we passed requesting the Imperial Parliament to extend our parliamentary term—to commit the people of Canada on this question. This moribund Parliament has no mandate from the people to impose upon them an obligation of $500,000,000 and upwards, which is but the beginning of the financial obligations which will be imposed by reason of the acquisition of this system. It has no constitutional or moral right to do it.

I must not detain the committee, because I know there are many hon. gentlemen on this side of the House who desire to speak. Hon. gentlemen on the other side who may feel constrained as supporters of the Gov-

ernment to give their adherence to this extraordinary measure will want to explain to the people why they are prepared to take that course. The people will demand from them an explanation on the floor of this House of their reasons for so doing. There are hon. gentlemen on this side who would deem it to be their duty to call the attention of Parliament and of the people to the objectionable proposals which are now under consideration.

I regret very much indeed that a measure so important and so far-reaching in its consequences, involving the people in tremendous obligations at this time when the country requires its full credit in order to raise the moneys which are necessary to carry on the war, should be brought down so late in the session.

It is over seven months since Parliament first met, and this measure might have been presented for consideration long ago. It is impossible to properly consider it before the expiry of the life of this Parliament. It might be well for the minister to have printed for circulation the statements which he presented a few days ago. Time should be given in order that the people of Canada may become acquainted with all that this measure means. They have not had time for that yet and that time cannot be given if this measure is to be put through before the extended life of this Parliament expires. The people are becoming aroused, and as they become more fully acquainted with the measure, I am satisfied that the feeling against it will become stronger and stronger.

Mr. DEVLIN: The ordinary man wants to know the actual value of the road that is being taken over by the Government. I am informed that its value is $383,302,000. Is that correct?

Sir THOMAS WHITE: No. I would refer my hon. friend to the report of Sir Henry Drayton and Mr. Acworth, which contains Professor Swain's physical valuation of the road, and I would refer him to Professor Swain's remarks about the word "value" which he says is one of the most difficult to define. No one could state offhand the value of a railway system such as the Canadian Pacific railway, Grand Trunk railway or Canadian Northern railway. That would be one of the matters which a board of arbitrators might consider. I am unable to give the precise value of the Canadian Northern Railway system, but the book value is shown in the reports placed before Parliament, and the physical valuation of Professor Swain, with the comments thereon of Sir Henry Drayton and Mr. Acworth, appear in their report.

Mr. DEVLIN: Am I properly informed that the general debts of the company amount to $402,000,000?

Sir THOMAS WHITE: The auditors report, which has been presented to the House, shows the funded and floating indebtedness.

Mr. DEVLIN: What provision has been made by the Government to raise the money necessary to pay for this road?

Sir THOMAS WHITE: I am glad my hon. friend has asked that question because it shows, if I may say so without offence, an entire misconception of the transaction. If we expropriated the Canadian Northern Railway system, took over all the physical properties and paid off the indebtedness, then we should have to raise a very large amount to do it, but that is precisely what we are not doing and what it would be very unwise, or I might say impossible, to do at this time. I pointed out on a previous occasion that the Canadian Northern Railway debt is pretty well funded, that is to say the securities have been issued for a long period of years, maturing twenty, thirty or forty years from now. That is the principal part of the debt. One advantage that we get from maintaining the corporate organization of this company is that we do not have to raise money to pay off the indebtedness as shown by these balance sheets. The Dominion Government simply becomes the sole shareholder of the company and the company goes on financing just as in the past.

Another point is that the Dominion Government is not brought into privity with its creditors, legally speaking. It is a mistake to say that the Dominion debt is added to, speaking legally and strictly, because it is not. We are acquiring $60,000,000 of stock in addition to the $40,000,000 we have, so that we shall be the owners of $100,000,000 of fully paid-up stock in the Canadian Northern railway which concern will continue to run as a corporation. Its obligations will be the obligations of the Canadian Northern railway as they are to-day. But the Dominion Government will, of course, help it to run. If the Dominion took over the Canadian Pacific railway to-morrow it would not have to raise money to pay off all the funded indebtedness of the system; it would run it as a corporation, and the earnings of the road would take care of the bonded indebtedness and

would pay a substantial dividend upon the shares.

Mr. DEVLIN: Would the minister state to what companies the amount of $16,666,957 is due?

Sir THOMAS WHITE: I do not regard it as relevant to the discussion to say that so much is owed to this company or to that institution. That is a domestic matter between the company and its bankers here and in England.

Mr. DEVLIN: We will have to pay this will we not?

Sir THOMAS WHITE: No, the company will pay it. If the company is unable, out of its earnings, to pay all its indebtedness, then the Dominion will have to make advances to it as in the past, but with this essential and vital difference, that the Dominion Government will own the company and that the advances we make will be for the benefit of our own company instead of another.

Mr. DEVLIN: Will the Government own the physical assets?

Sir THOMAS WHITE: No, the stock.

Mr. DEVLIN: How does the minister make the difference? We will own the stock of the company, but we will not own any of the physical assets, and we assume all liabilities?

Sir THOMAS WHITE: No, we do not.

Mr. DEVLIN: Who will own the physical assets?

Sir THOMAS WHITE: The company.

Mr. DEVLIN: And who will own the stock in the company?

Sir THOMAS WHITE: The Dominion Government.

Mr. DEVLIN: I must say that I cannot consent, as a member of this House, to the people I represent becoming the purchaser of nothing—according to the Government—for which we will have to pay a very large sum of money. This proposed purchase of 600,000 shares of stock which will involve obligations running into hundreds of millions—advancing money constantly to a company, gradually, as the minister says, not all at once—is a policy I could not conscientiously support. I do not intend to speak often in committee on this subject, but I want to place myself on record as saying that this, to my mind, is about the worst transaction the Government has ever entered into. I say that with all respect to the Government. I mean that it is the worst in the value that the Government is receiving for what it is purchasing. To sum up the whole situation, it seems to me to resolve itself into this. It is apparent that we are getting something, but what that something is the Government do not know and cannot tell us. We are going to pay something for that something; to whom we are going to make payment the Government does not know or will not tell us. We are going to pay a certain amount for that something, how much the Government does not know or will not tell us. We are going to get something apparently of value—or else we would not buy it—what the value is the Government does not know or will not tell us. We are going to assume debts and obligations; to what extent the Government does not know or will not tell us. Apart from the debts we are going to assume, and the values we are going to get—if we get anything of value—we are going to become purchasers of 600,000 shares of stock, but the Government cannot tell what it is worth. The Government is going to arbitrate, and has named its arbitrators. Other arbitrators will be named, and we will pay the amount that arbitration will fix for that stock. We will assume that liability, in addition to the other liabilities and debts of the company. Where we are going to get the money to pay these liabilities, the Government has not told us. It is well known that money is very expensive; rates of interest are extremely high; we are obliged now to impose taxes upon the people of this country in every shape and form; we require every possible resource of this country towards the winning of the war. We have imposed an income tax for that purpose. The Government is asking the people to assume terrific obligations under this measure; to what extent they cannot say; and this at a time when the people are hardly able to bear the obligations imposed upon them by the war. I say emphatically that I want to see this country developed along sound lines. I want to see every resource of this country utilized to the advantage of the people and to the advantage of Great Britain and the Allies; I want to see a proper and sound programme carried on by the Government of this country; and for one, I am not prepared to give my consent, on behalf of the people I represent, to the assumption of liabilities and debts for something which apparently is valueless, or the value of which the Government cannot tell us.

Sir THOMAS WHITE: I beg to move that we proceed now to consider section 2. We have considered section 1 for two or three days in committee, and I would like to have some progress made.

Mr. MACDONALD: Before leaving section 1, I should like to call the attention of the minister to the fact that he has not given us the information I asked for when we were in committee before, as to the names of the pledgees of the stock. That is a matter of very great importance, in view of the fact that, under the Act of 1914, Messrs. Mackenzie and Mann, the contractors, covenanted with the Government to give up all possible claims which they might have for commission and otherwise. It is important to know who the pledgees of the stock are, and when the stock was pledged with them. For, if it was pledged since the Act of 1914, the pledgees of the stock, as a matter of law, would have no better or greater title than the original owners of the stock had; and by reason of the fact that the Act of 1914 was a public statute, they would be bound to know the law, and their rights would be subrogated to the rights of the original holders. They are, therefore, in no better position than the original holders. One of the terms of the agreement ratified by the Act of 1914 reads as follows:

> The contractors covenant that they will not at any time make or seek to enforce any claim for contractors' profits, commissions or otherwise against the Canadian Northern or against any of the constituent or subsidiary companies, upon or in respect of any express or implied contract, understanding, agreement, or stipulation of any kind, heretofore or hereafter made, whereby or whereunder they, or any one or more of them, may now or hereafter be entitled to receive from the Canadian Northern, or from any of the constituent or subsidiary companies, any construction profits in respect of work heretofore undertaken, or as consideration for transfers of properties, rights or franchises already transferred, or to be transferred under sub clauses (a) and (b) of this clause, or for commission or remuneration for services in financing, or for any other services heretofore rendered, and all such claims are hereby by them and each of them absolutely renounced and released.

The Drayton-Acworth Report says:

> The property investment of the Canadian Northern Railway system is stated in the balance sheet of June 30, 1916, at $494,112,489.34. This figure admittedly has been written up to include $100,000,000 of capital stock. And this stock, as we have already said, was issued without any cash consideration.

I called the attention of the minister, as a matter of law, to the fact that this $100,000,000 of stock, the value of which is to be arbitrated under the proposal of my hon. friend, has been found by the commission appointed by himself to have been issued without any cash consideration, and the suggestion in this report that anything should go to the holders of the stock is based upon the theory merely that they had spent a good deal of time in connection with the matter and were entitled to something by way of honorarium. But whatever right they had on that ground was relinquished under the provisions of the agreement of 1914, and the stock not having been issued for value, as evidenced by the statement in the report of the commission—and also by the statement of my hon. friend from Kingston (Mr. Nickle) in 1914 that the whole of the stock of the Canadian Northern was simply watered stock—the result is that the pledgees of the stock have no rights whatever as a matter of law, and the owners of the stock have no rights whatever as a matter of law, they having covenanted not to make any claim on the Government in any way for any services or any conditions such as are shown in the clause I read. The minister should tell us who are the pledgees of this stock; in whose hands the stock is at the present time; for what it was pledged, and when it was pledged—because the first section which he asks the committee to allow to stand is the section that provides for paying money to certain pledgees. I submit, this House has no right to enter at this time into an agreement with some party or parties unknown who are stock pledgees, if the Government know—as they must know—the names of the parties so described, and if, as a matter of fact, those parties have no higher or greater rights than the original holders of the stock in 1914. My hon. friend will recall I asked him for that information, and he ought to give it to us.

Sir THOMAS WHITE: The statement has already been made twice. My hon. friend must have been out of the House this afternoon.

Mr. MACDONALD: The minister gave the names of the holders of the stock.

Sir THOMAS WHITE: The names of the holders of the stock were in the certified list of the shareholders which I laid upon the Table. I stated, and the Solicitor General (Mr. Meighen) stated the other evening, that the assets of Mackenzie, Mann and Company, Limited, including this stock which they held among other securities, were pledged to their bankers in the

ordinary course of business and by the usual banker's pledge. I stated their bankers were the Canadian Bank of Commerce. As to the point my hon. friend makes in regard to Mackenzie, Mann and Company having agreed to waive their claims for any consideration in respect of their services before the trust mortgage of 1914 was acted upon and before those securities were issued, Mackenzie, Mann and Company were obliged under seal to execute that agreement as it appears in the statute. The greatest possible care was taken in connection with that transaction. Not only did I give it my personal attention in the summer of 1914, but I took it up in a voluminous correspondence with Mr. James Bicknell, K.C., who acted for the Government. In the history of the Government no work has ever received more careful attention.

Mr. R. B. BENNETT: Why don't you use it now?

Sir THOMAS WHITE: Use what?

Mr. R. B. BENNETT: The 1914 legislation.

Sir THOMAS WHITE: We have been discussing that. We discussed it on the second reading, and we discussed it here to-day. The reasons have been given why we prefer to buy the $60,000,000 of stock instead of acting under the legislation of 1914. They are reasons which appear to me, and I think to the Government, and I should hope to the House, as being sufficient. The stock was issued by the company to Mackenzie, Mann and Company, Limited. It may be that the Drayton-Acworth report states there was no cash consideration given for it, but I would point out that this report overlooks the land grants which were the property of Mackenzie, Mann and Company, Limited, and which were transferred to the Canadian Northern Railway Company. They were part of the consideration. I am not here to emphasize what Mackenzie and Mann did for that stock, but the stock was issued, and, we have every reason to believe, validly issued. The statute of 1914 declared the capital stock issued to be $100,000,000, of which the Dominion Government owns $40,000,000 and these other parties $60,000,000. By that statute, as I recollect it, that stock was declared to be paid up. That stock is in the hands of its owners, according to the statement I laid on the Table. The principal owners, Mackenzie, Mann and Company, who carry on a very large business in Canada, pledged that stock with their bankers in the ordinary course of their business. I pointed that out this afternoon, and I am now repeating it.

Mr. MACDONALD: When was it pledged, and for what amount?

Sir THOMAS WHITE: I do not know. It was pledged with the other assets in the ordinary course of business. As I already indicated, if we were to take over the stock of the Canadian Pacific Railway Company, and the hon. member for Pictou owned 1,000 shares which he had hypothecated, with his bank together with other bonds and stocks, the amount of the pledge would not be a relevant matter in connection with the valuation of that stock. The pledgees cannot have any interest in the stock except its value.

Mr. MACDONALD: And the amount they put up.

Sir THOMAS WHITE: No, not at all. I do not agree with that in any sense. Take the case of an unlisted stock which is pledged to a banking institution; that institution cannot have any higher rights than the owner of the stock, in the sense of getting a higher value than the stock is worth under expropriation proceedings. My hon. friend knows better than most gentlemen in this House that they would not be allowed to make evidence as to what was loaned against it. The question is not pertinent and not relevant. I have obtained for this House all the information that is relevant to the consideration of this section. If there is any more information that is relevant which I have not obtained, I want to get it, but I cannot be securing information as to this transaction and that transaction on the part of the stockholders who have acquired the stock, which has no bearing upon the question before the committee.

Mr. MACDONALD: But it has. If my hon. friend had not put it in the Bill that this payment is to go to the owners and pledgees, then it might be a different matter.

Sir THOMAS WHITE: The point is this —and the hon. member from Pictou knows it as well as I do, if not better, because he is a practising lawyer—that this is an ordinary deposit agreement under which stock is to be acquired. The pledgee has a limited interest, because the owner has transferred the stock to him in consideration of a certain advance. Now, in order to get that stock we have to get it under the terms of this agreement. The owners

and pledgees should lodge it, and if they do not lodge it the agreement does not become operative. If they lodge it, whether owners or pledgees, then it becomes subject to the terms of the agreement, which are that the value is to be determined by arbitrators, and when so determined is to be paid over to the proper parties. Who are the proper parties? It is so elementary that I hate to trouble the House about it; the hon. member knows there is nothing in it, but he is raising it simply for the purpose of discussion. He knows perfectly well if owners and pledgees bring their stock into the agreement—the stock so bought by the Government at a price to be fixed by arbitration—the pledgees are in a position to transfer that stock into their names and make themselves the legal owners. As a matter of fact, it was not absolutely necessary that the word "pledgees" should be in the Bill at all.

Mr. MACDONALD: Why mention it then?

Sir THOMAS WHITE: It was not necessary. I am talking to a committee of business men and good lawyers. Everybody here knows that if stock is pledged to an institution it is within the power of that institution to transfer the stock into its name, and obtain legal ownership of it. The man who transferred it to the institution has an equity interest in it, but the legal ownership is in the institution. The word "pledgee" is not necessary, but it does no harm. Take the case of a government expropriating real property, and assume there is a mortgagee, has not the mortgagee a right to come in and be heard?

Mr. R. B. BENNETT: Not unless he is the registered owner

Sir THOMAS WHITE: But he is the registered owner, because he has registered his mortgage in the registry office. Speaking in a strict sense, I say that gives him, as my hon. friend knows, legal title, because the property has been conveyed to him under the law, say, of Ontario—I know that is the case in that province. If a pledge of stock is given to an individual or an institution, it is open to that individual or institution to transfer that stock into his or its name on the books of the company. That individual or that institution then becomes the legal owner. The fact that pledges are mentioned in this makes no real difference, but there is no real objection to it because there are two parties unquestionably interested in stock: First the man who has pledged the stock, because he may pledge it for only a part of its value, although if he pledges it for its full value, he is liable under the covenant and is interested in his security, but there is no objection to the holder and the pledgee being mentioned in the agreement because the pledgee is entitled to put it in his own name. The matter is so elementary that I do not want to discuss it.

Mr. MACDONALD: My hon. friend is asking this committee to pass a certain Bill in which he uses these words—

> And the owners and pledgees of not less than five-sixths thereof.

—referring to the parties with whom the contract is to be made and with whom the Government are authorized to make the contract. The minister gives the committee the names of the owners of the stock; he tells us generally that that stock is pledged to the Canadian Bank of Commerce, but he does not tell us for how much it is pledged, when it was pledged, or any of the conditions of the pledge, all of which are questions relevant to the discussion by virtue of the provision of the statute of 1914. He says the matter is of no importance. I say to him that it is of importance, otherwise he would not put that clause in the Bill. If it is of no importance, let it be stricken out.

Sir THOMAS WHITE: I am not particular.

Mr. MACDONALD: The people are entitled to know with whom the country is going to make this agreement and whether those parties have any right greater or less than those of the owners of the stock—

Sir THOMAS WHITE: They cannot have greater rights.

Mr. MACDONALD: —who have covenanted to give it up and who have no claim whatever to it against that of this country. Every dollar, therefore, given out under this arbitration is so much money taken out of the public treasury absolutely without justification and in face of the solemn assurance of this Government, made in 1914, that no more money would be asked for. The minister has not given and will not give us the information for which we are asking. Yesterday, I asked the minister for some information which is necessary in regard to the consideration of every part of this Bill. Certain obligations of this company fell due in June, July and August of this year. It was common report that cer-

tain banks in the country advanced to this company money for the purpose of meeting those obligations as they fell due. I asked the minister yesterday to tell us what were the amounts which fell due in those months; what banks made the advances in order to cover them, and whether those banks made the advances as the result of any assurance given to them by the Minister of Finance that they would be protected. The country have a right to receive that information.

Sir ROBERT BORDEN: The Canadian Northern Railway Company required advances for the purpose of preventing it from being forced into liquidation during almost the whole period, I think, in which its affairs, as well as the affairs of other railway companies, were being investigated by the Board of Railway Inquiry which was appointed last year. The Government did express to the bankers of the company the hope and the request that the company would not be allowed to go into liquidation pending that investigation. That action was taken for the reason that it would be perfectly idle to commence and carry on an inquiry into the affairs of this company and the Grand Trunk Pacific Railway Company and permit them to go into liquidation while the inquiry was pending. The same expression of hope and request was made during the period after the report was made while the matter was under consideration by the Government.

Mr. MACDONALD: I thank the Prime Minister for the information he has given to us. We would be glad if the Minister of Finance would go further and tell us exactly what amounts were paid by those banks in the months to which I referred.

Sir THOMAS WHITE: I have not the information. The assurance given or the request made was by the Prime Minister who dealt with this matter.

Mr. MACDONALD: Could not the minister ascertain it? It is of importance in relation to this question.

Sir THOMAS WHITE: I do not think it is of any importance.

Mr. MACDONALD: It is very important to know what advances were made within the last three months. That information does not appear in any returns that have been brought down.

Mr. MICHAEL CLARK: Before this section is left, I should like to be permitted to express a wish that I could say anything to bring to an end within a reasonable time discussions which are becoming, to say the least of it, somewhat prolonged. We are in the eighth month of this session of Parliament, and the matter is becoming serious to some of us who think we could do more for the war by pitching sheaves than by listening to the same thing said so many times over. I rose for the purpose of saying that I listened with the utmost care to what appeared to me to be a very lucid and convincing statement by the Minister of Finance this afternoon on the general question, and I am persuaded in my mind that, when the people of this country read that statement in connection with the statement made the other day by the Solicitor General, they will come to the conclusion that in this legislation the Government is making an honest effort towards a proper solution of a problem of enormous magnitude and seriousness. That is my honest conviction about the object of the Government and about what the people of the country will think about it.

It is usually said that there are three possible solutions of our railway difficulties. I have a fourth which has never been mentioned in the course of these debates, and I do not suppose that my mentioning it will carry much conviction, but it would be a solution if it could be arrived at. My solution of the railway difficulty is to make the railways pay. It would not matter much whether they belonged to the Government or to private companies if they were paying concerns. You can make them pay only by making them do business, and to do business is to trade. If you will allow our railroads to trade freely, they will do more business; they will make more money, and they will pay. Of course, when I put the matter in that way, I think I should carry a great deal of conviction to both sides of the House; but if I reverse the words and speak about free trade, I should at once be looked upon as a kind of mountebank. I am afraid that is too strong meat for either side of the House just yet, and I am, therefore, bound to take the current opinion that there are only three possible solutions of this question. I feel, as a patriotic Canadian, proud of the country of my adoption in which I expect my grand-children and my grand-children's children to be brought up with future generations, that there is no upstanding Canadian who wants to face the question of a receivership. Some hon. members spoke about a receivership being a bogey. I never suffered from bankruptcy, but I should not think that bankruptcy is any

bogey. It is a bad thing for an individual, and it will be a very much worse thing for this nation at a time when we are facing problems of magnitude greater than any that have been dreamed of since Confederation, and when we wish to keep the credit of our country as high in the financial world as our soldiers have put it in the military world upon the field of battle.

With regard to the second possible solution of this question, which has not been without support from my own side of the House in the course of this debate, namely, the handing out of more money to the Canadian Northern, I am perfectly sure that the people of this country who give any thought to the subject at all are sick of that process. They do not want to shovel out any more money to private individuals for the running of this road, and the reason is not far to see. It is an interminable process which does not seem to get us any further forward, and in addition to that, it has this cardinal objection, that there is a very sound suspicion in the minds of our people that the money does not all by any means find its way into the railroad. The people are sick of that process.

Then, what is to be done with the situation? We are brought to the third possible solution—the solution which the Government, as I believe, in good faith, are trying to take—and that is the nation must take over this road. I do not know how far the people of this country will be disposed in the course of time to go, but they must take over this road and run it themselves. That is the simple question; that is the general question. I do not think that the masses of our people are much concerned with the legal refinements which have constituted most of what we have heard in this debate. I do not think they are very much concerned about what was the exact legal import of what was in the Bill of three years ago. Why, we departed from that a year ago by giving more money away, and followed on that occasion a course which had support on both sides of the House. I do not mean to say that it was supported by every one on both sides of the House, but there were a number on both sides who last year departed from the supposed settlement of three years ago, and supported the giving of more money. There is no end to that process.

The great value of the settlement under the process that is proposed by the Government is that the road passes into the hands of the people, and whatever money is put into the road from now on will accrue to the benefit of the people of Canada themselves.

With regard to the general question of government ownership, I am perfectly certain that a large number of our people are in favour of a trial of the principle. The war has altered men's thinking on this and on a great many other topics. We have found out, under the extreme pressure and exigencies of this war, that the state can do things that we did not dream of in our early days of absolute individualism. We have found out something of what states can accomplish amidst the hardships and trials of war. That has altered men's thinking, and I venture to think that when our soldiers come back, those of them who do come back, by the experience they have had, will prove to our people that they have learned to think, and think deeply, of these national problems. I have met a number of our returned soldiers, and it is surprising to observe the development they have undergone on the intellectual side, and the deep thought they are putting into the problems that confront this nation. They will have an enormous effect upon the thoughts of our people and upon the course of our people in regard to these problems.

9 p.m.

It is a fact that railroads are owned by many other countries, and are owned and run with success, and if we say that they cannot be owned and run with success by governments in Canada we pass a very severe condemnation upon the public morality of our own people. I want to say further that I fear it is broadly true—and here I know I am voicing the sentiment of a large number of our people and the very best of our citizens—that since Confederation down to the present moment the railroads have owned the country by having a very large ownership in the politicians of the country. I value the brave words that fell from the lips of my hon. friend from Calgary (Mr. R. B. Bennett) upon that subject the other day, and I want to say that the people of this country know that there was a great deal of truth in his words. It is true that he seemed to concentrate his indignation upon one particular set of railroad operators in the remarks he made upon that subject. I am afraid that those operators are not the only ones who have, to use the word of my hon. friend, debauched young men as that young man on the Pacific coast was debauched. I am afraid all the railroads in Canada are still doing a little

debauching, not only of young men, but also of men who are much older and ought to know a great deal better. It is broadly true—and we may as well face the fact—that the railroads have owned Canada since Confederation, through owning our politicians. There are a great many people who think the process should be reversed, and that, by Canada owning her railroads and freeing her public men from the evils to which my hon. friend and neighbour from Calgary referred the other day, our public life will be purified, and a development of public spirit in public affairs will take place. I am perfectly confident there is a strong body of opinion behind the principle of government ownership, and that body of opinion, when it is instructed, when it knows what is being done by this legislation, will be behind the Government in these proposals.

The CHAIRMAN: Sir Thomas White moves that the committee now consider section 2.

Mr. GERMAN: I do not see why there should be a motion to proceed to section 2 so early. Is this the beginning of the closure? It is certainly its necessary concomitant. I hardly think the Government will undertake to shut off discussion in a matter of this importance. I want to ask a few questions on section 1.

Sir THOMAS WHITE: We won't use the closure against you now anyway.

Mr. GERMAN: All right. I think my hon. friend will find that the people of this country are not all so gullible as my hon. friend from Red Deer, (Mr. M. Clark) in thinking that this transaction savours of all possible sanctity and righteousness. I don't know whether it is true, but I have been told, that there are some long-standing contracts, aggregating a very large amount of money, for salaries, between the Canadian Northern and some, at any rate, of its employees. Does the minister know anything about that?

Sir THOMAS WHITE: No, but if my hon. friend makes the statement positively that the matter is of some consequence I shall be glad to inquire into it. I do not mean to say that he is not asking his question in good faith, but I do not think the work of the committee should be delayed to investigate statements that are not of consequence.

Mr. GERMAN: To what extent is the Canadian Northern the owner of the rolling stock used in its operations? Is the rolling stock owned by the Canadian Northern, or under some sort of lease with some other company who is the real owner? When the Government acquire the stock of the Canadian Northern, they may find that they are not the owners of any of the rolling stock of that line.

Sir THOMAS WHITE: My hon. friend is entirely in error. The Canadian Northern, like most of the other railroad companies, finances, so far as its rolling stock is concerned, by issuing either directly or indirectly securities against the rolling stock. The modus operandi is this: A railway company desires to buy, let us say, $10,000,000 of rolling stock. They pay from twenty to twenty-five per cent in cash, or $2,000,000 to $2,500,000; then they pledge the rolling stock either directly, or, more usually, through a rolling stock company to a trustee.

They issue their securities for $10,000,000 upon these terms. The securities mature at the end of one, two, three, four, five, and so on up to ten or twenty, years. Generally they are not so long as that. In each payment of the debenture there is included a certain amount of principal as well as interest, so that each year an amount of the principal of the rolling stock indebtedness is paid off. When the securities come to an end the rolling stock is all paid for because they have paid not only the interest but the principal. Of course, the rolling stock is in the meantime depreciating. In the accounts of the Canadian Northern Railway Company there is a statement showing the amount they have paid on account of principal and interest for rolling stock. That is the system which obtains with scores of large railway companies. It is the favourite and most advantageous way of financing the purchase of rolling stock by railway companies. Rolling stock securities are usually considered of a high character because, in the event of a receivership, the receiver has the road to run and he will pay the maturities with respect to rolling stock; otherwise he would lose the rolling stock because the trustee would take it off the system.

Mr. GERMAN: I appreciate what the Minister of Finance has said in regard to that matter. I know the modus operandi regarding the purchase of rolling stock and the issue of securities of that kind. But I was informed that the rolling stock held by the Canadian Northern was in an altogether different position. It is well that the country should know what the situation is, because I think the people only desire

to know, honestly, frankly and fairly what they are getting and what they are paying for it. So far as I am individually concerned, I am not at all opposed to the people owning the Canadian Northern Railway system—in fact I am rather in favour of it, if it is taken over under a proper method and the people are not paying for it more than it is worth or entering into obligations which will increase the indebtedness of the country to an enormous extent. Our indebtedness is now being increased very rapidly and such an arrangement as is proposed may increase that indebtedness to a greater extent than the credit of the country will stand. It is a question of what we are paying for this property. Then, there is also the question of the system that is to be adopted in operating the property after it is purchased. However, that is a matter that we will have to leave in abeyance until the purchase is made although it too is a question of importance. But, the main question to my mind is: Are we getting a property which is worth the money that we will be obliged to pay for it? The Minister of Finance this afternoon condemned very strongly a proposition to foreclose. He said that the Government is adopting the only system that can be equitably and fairly adopted in taking over this property. I would point out what appears to be a far better way and the way which was suggested, and not only suggested but positively advocated, by the right hon. the Prime Minister (Sir Robert Borden) in 1914 when this Parliament authorized a guarantee of the bonds of this company to the extent of $45,000,000. As reported in Hansard of 1914, volume 4, page 370, the right hon. gentleman said:

The country, however, may be confronted with conditions in the future which will render prompt and vigorous action necessary. We have made provision for immediate and summary action in case default shall be made—

I apprehend that it is in the mind of every hon. member that default has been made. The Canadian Northern, if not in actual failure to pay, have defaulted by reason of the fact that they have been unable to earn their fixed charges and could not have paid if the Government had not lent them the money to enable them to pay their indebtedness to the Government. The Prime Minister said:

We have made provision for immediate and summary action in case default shall be made.

What does that mean?

The definition of default is set forth in the 21st clause of the resolution; and, by the 22nd and subsequent clauses it is, in effect, provided that, if such default takes place—

I assert that such a default has taken place.

—the Governor in Council may, upon such notice as he deems expedient, declare vacant the offices of the directors of the Canadian Northern Railway Company, or of any of the allied companies, and may appoint a new board or boards, upon which very extraordinary powers are proposed to be conferred. Among such powers are the creation of any additional securities, the making of arrangements with the holders of any outstanding securities, and the transfer, with or without compensation, of the Canadian Northern system, or any part thereof (subject to then existing charges) to any corporation created by the Parliament of Canada for the purpose.

There was one method which the Prime Minister stated might be adopted and which, they were providing, should be adopted.

Making of arrangements with the holders of any outstanding securities, and the transfer, with or without compensation, of the Canadian Northern system, or any part thereof (subject to then existing charges) to any corporation created by the Parliament of Canada for the purpose.

Why is that not being done? If that can be done there will be no possible question of the payment to Mackenzie and Mann of the value of the stock. Further:

It is also provided by clause 24 that, if authorized by the Parliament of Canada—

That is the section which the Minister of Finance adverted to this afternoon.

—the Governor in Council may, in case of default, declare that the interest of Mackenzie and Mann, in the Canadian Northern Railway system is absolutely barred and foreclosed, and that all the properties and assets thereof, subject to any outstanding obligations, shall thereupon vest in the Crown in the right of the people of Canada.

This is the clause to which the Minister of Finance directed the whole of his argument and it is the clause in regard to which he said that we would be violating the equities if we should take the road over by virtue of it. But I say that we are not bound at all to take over this road under that clause. Then further the Prime Minister goes on:

So if, as apprehended in some quarters, the road cannot, with the assistance now afforded, be brought to a successful conclusion, the Government and Parliament of Canada will have the situation in hand better than by any possible method at the present time.

How are those words being verified in this transaction which the Government is endeavouring, at this late stage of the session, to force through this House—and by their action to-night intend to force

through under closure rules, because there is no reason why the Minister of Finance should have suggested that this clause should stand over and that we should proceed to another clause unless his intention was, as soon as the clauses had all been gone through in this way, to invoke the power of closure and stop discussion.

Sir THOMAS WHITE: Oh, no.

Mr. GERMAN: I shall be ready to retract it all if my suspicions are not well founded.

Sir THOMAS WHITE: I did not think we should get so far as that.

Mr. GERMAN: The Prime Minister goes on:

> In effect we propose to provide in the first place that a certain amount shall be available for the early and immediate completion of the road, and, if the road is not carried to completion by means of that aid, then the people of Canada, through their Government and Parliament, are enabled in the most effective and vigorous way to grasp the situation, and carry to completion, for their own benefit, one of the great transcontinental railway systems of Canada.

I ask the Finance Minister and the Government and gentlemen who are supporting them to adopt the words of the Prime Minister uttered in 1914, under the clause in that agreement which gives them power so to do, and,

> in the most effective and vigorous way grasp the situation and carry to completion for the benefit of the people of Canada one of the great transcontinental railway systems of Canada.

—and do away, obliterate altogether, this idea of paying Mackenzie and Mann five, six, or ten millions of dollars for a stock which the Drayton-Acworth Commission have already reported is absolutely valueless. There is no question of foreclosure, there is no question of arbitration. I was chided a few days ago by hon. gentlemen for having at that time supported a resolution providing for arbitration, while I am now suggesting that, whatever is to be paid to Mackenzie and Mann should be fixed by the Chief Justice of the Exchequer Court. As I said that night, and as is borne out by the statement of the Prime Minister, the representation was that that money was sufficient to complete the line and if it did not complete it, then there was an expeditious, effective and complete method of taking over the whole system without paying any more money. The Prime Minister further said:

> Some of the features of the agreement should also be called to the attention of the House.

I am bringing this to the attention of the House and of the country because the Finance Minister so particularly emphasized this feature, that there was an equity, a redeemable equity, the value of which should be considered by somebody, he says by arbitration. Now, let us see what the agreement that they entered into at that time provided for. The Prime Minister said:

> Some features of the agreement should also be called to the attention of the House. Prominent amongst these is the release of all claims for contractors' profits, commissions or otherwise, against the Canadian Northern Railway. The provision to which I wish to call attention, and which is, in my opinion, a very important one, will be found on page 19 of the Orders of the Day. That clause reads as follows:
>
> "That the contractors"—
>
> Which includes Mackenzie and Mann as a corporation and Mackenzie and Mann individually.
>
> —"will not at any time make or seek to enforce any claim for contractors' profits, commissions, or otherwise against the Canadian Northern, or against any of the constituent or subsidiary companies, upon or in respect of any express or implied contract, understanding, agreement, or stipulation of any kind, heretofore or hereafter made, whereby or whereunder they, or any one or more of them, may now or hereafter be entitled to receive from the Canadian Northern, or from any of the constituent or subsidiary companies any construction profits, in respect of work heretofore undertaken, or as consideration for transfers of properties, rights of franchises already transferred, or to be transferred under sub-clauses (a) and (b) of this clause, or for commission or remuneration for services in financing, or for any other services heretofore rendered, and all such claims are hereby by them and each of them absolutely renounced and released."

In the face of that statement made by the Prime Minister himself, how in the name of all that is sensible can members of this House, having the interests of the country at heart, representing their constituents as they do, deliberately stand up and vote that, notwithstanding that stipulation by Mackenzie and Mann themselves that they would not at any time thereafter in the event of default make any claim or demand for commissions or for transfers of stock or otherwise under subclauses (a) and (b)—how, I say, can these gentlemen conscientiously stand up and support the proposition submitted to this House? I bring this to the attention of the House because the agreement itself conclusively answers the statements made by the Finance Minister this evening. He says: you should not expropriate, you should not foreclose,

without taking into consideration the equities which Mackenzie and Mann have in the property, without taking the valuation of the property, without going into the whole matter, and substance of the physical value, the earning power and otherwise, to arrive definitely at a correct value of this property, and then ascertain whether Mackenzie and Mann are entitled to compensation. I do not wish to deal harshly with Mackenzie and Mann or any other person, nor do I wish this House to do so; I have a great deal of sympathy for them; they have done a great work, and carried on this enterprise for all these years. But they are no different from other men. To use the venacular of the street, they bit off more than they could chew; they had a bigger enterprise than they could carry through, particularly with this monetary stringency, and the road has become a failure. Other men have failed, and the Government has not come to their rescue. Mackenzie and Mann have been interested in railway building for twenty years or more. This enterprise was started twenty years ago. Every one knows what their situation was then, what it has been since, and what it is to-day; that is a matter of public notoriety. No one need make any suggestion as to what their position is financially and otherwise; it is well known throughout the country. I submit, these men are not entitled to any sympathy from this House or from the people of the country. They are entitled to be dealt with fairly, honestly, frankly and justly, and only in that way. In view of the statement made by the Prime Minister three years ago, that there was a speedy, efficacious and complete remedy by taking over this property, and that there was a release by Mackenzie and Mann of all equities in the property, without a shadow of a claim to be paid anything. I say that we are simply doing justice to the people of this country in standing by the agreement which was made at that time and saying to these gentlemen: It is unfortunate for you, we regret we have to do it, but the exigencies of the situation at present make it imperative that we must enforce the obligation imposed in that contract, take that property from you, and put in our own directors; and unfortunately, we will not be able to pay you anything for the difficulties you have encountered and for what you have gone through in those years. I submit that those are views which will meet with the approval of the people. They are my views at any rate, and I submit them to this House, and I have confidence that they will be approved of by the people of the country generally.

[Mr. German.]

Mr. SINCLAIR: I desire to say a few words—

Sir ROBERT BORDEN: I was going to move that the committee rise, and that we take up another Bill. If the hon. gentleman from Guysborough wishes to speak now I will give way.

Mr. SINCLAIR: My purpose in asking leave to say a few words was to reply to the speech of my hon. friend from Red Deer. That hon. gentleman did not deal with the main question before the committee. As I understand it, the question at issue between the two sides of this House is whether we shall pay anything to Mackenzie and Mann for the 600,000 shares of stock we are proposing to acquire. The hon. member for Red Deer did not touch that question. I understand the Government is proposing to pay for that stock at a value to be fixed by arbitration. They do not say how much they are willing to pay, but they are submitting the question to arbitration, which means that they place some value upon the stock. The owners of the stock, I understand, claim that it is worth par, which means that they claim the enormous sum of $60,000,000. It will be for the arbitrators to say whether the people shall pay $60,000,000 for this stock which we, on this side of the House, contend is not worth anything. Our position on this side is quite clear. We say that this stock does not represent any investment; it does not represent a dollar of money advanced by Mackenzie and Mann or any one else; it is nothing else than water; that we own it now, under the default made under the conditions of the Act of 1914, and that we are in a position to-day to assume the ownership of that stock without paying any money for it. My hon. friend from Red Deer did not deal with that position at all. He said there was one thing he knew well, and that was that the people of this country are not in favour of shovelling out any more money to Mackenzie and Mann. I was glad to hear him say that, because that is the exact position we take on this side of the House. If these arbitrators decide that the stock is worth $60,000,000, than the people of Canada must shovel out $60,000,000 to Mackenzie and Mann, and the hon. gentleman from Red Deer tells us that the people are not in favour of doing that. I want to place myself on record as opposed to paying anything more to Mackenzie and

Mann for this stock. The hon. member referred to the time when the soldiers would come back. He told us they were doing a lot of thinking, and when they came back they would be interested in the financial affairs of Canada. I believe that is true. They not only have to fight for the existence of Canada, but they and their children will have to bear the burden of the public debt. When the soldiers went away there was a public debt of $350,000,000, roughly speaking; when they come back after this legislation goes through, if it does go through, there will be a debt, independent of the war altogether, of some $800,000,000, and the soldiers will want to know the names of the men who imposed that debt upon them, and upon the people of Canada, and I do not want them to read my name among those who will be on record as having done that.

Mr. EDWARDS: Will that $800,000,000 be a net debt, or a gross debt?

Mr SINCLAIR: I regard it as a net debt. The ownership of the road is poor comfort if we have to tax ourselves to pay the interest. If we assume the whole debt of the Canadian Northern, there will be somewhere in the neighbourhood of $800,000,000 independent of the war debt, if we pay all the liabilities connected with the taking over of the company, and I assume we are going to do that.

Sir THOMAS WHITE: We are going to own the road.

Mr. SINCLAIR: I object to paying the amount which it is proposed to settle by this arbitration. There is no question in regard to public ownership, as I understand it, between the two sides of this House. The attitude we take on this side means public ownership just as much as the attitude of hon. gentlemen opposite means public ownership, because, if our proposal carries, and the Government takes charge of this stock under the provisions of the Act of 1914, it means that we must assume the existing liabilities of the road, and if we take the stock over by arbitration, it means the same thing. The difference is that in one case we shall have to pay whatever the arbitrators decide for the stock, and that will be an addition to the debt of the people of this country, and that is the part of the debt I particularly object to. It has been said in this House over and over again, that if we take over this property without arbitration it means confiscation.

I want to put myself on record as opposed to that idea. It does not mean confiscation. As I understand it we have a legal right to take this stock now under the Act of 1914. We are not asking for the road. We are not asking for this property. If we had decided to take the property of Mackenzie, Mann and Company and pay them for it, and if we refused to arbitrate and give them its value, that would be confiscation. That, however, is not what is happening. They are pushing the property on us. They say: "We cannot keep it ourselves. We cannot carry on. We cannot pay our interest and carry on the business of the road. You must take it off our hands, and you must pay us for it." I think that is an unreasonable proposition, and I think the Government cannot justify itself in taking that stand in face of the legislation of 1914.

Mr. LEMIEUX: Mr. Chairman—

Sir ROBERT BORDEN: I had an arrangement by which another Bill was to be taken up. I hope my hon. friend from Welland (Mr. German) will not consider me discourteous if I do not answer him at the moment.

Mr. GERMAN: Not at all, I shall simply feel that there is no answer.

Sir ROBERT BORDEN: I was about to give my reason for not answering my hon. friend, which is that what he has just said now has been said and answered quite a dozen times already. My hon friend from Guysborough (Mr. Sinclair) seems to have rather peculiar views as to what net debt means. He attributes as a debt of this country what is owing in respect of this road, but he does not take into account the fact that the country will have an exceedingly valuable asset in the road. Of course, if that is really good logic, the defence and the arguments which have been made on this side of the House in support of the measure could not count for very much, but I venture to think my hon. friend would hardly be inclined to apply that reasoning to his own affairs.

An arrangement was made by which the Military Voters' Bill should be taken up, particularly for the purpose of considering certain amendments which had been prepared by the Minister of Justice relating to questions that were brought up yesterday. I therefore hope my hon. friend from Rouville (Mr. Lemieux) will be able to restrain himself for the present and at some future date give us the benefit of the views he was about to inflict upon the committee I move that the committee rise, report progress, and ask to sit again.

Progress reported.

THE MILITARY VOTERS' ACT, 1917.

FURTHER CONSIDERATION IN COMMITTEE.

The House again in committee on Bill No. 127, the Military Voters' Act, 1917.—Hon. Mr. Doherty—Mr. Rainville in the Chair.

Mr. CARVELL: Is it the intention of the minister to consider the proposed amendments now, or is it his idea simply to submit them, allow us time to go over them, and bring them up to-morrow?

Sir ROBERT BORDEN: It might be worth while to run over the amendments, and the sections of the Bill.

Mr. CARVELL: The Prime Minister will understand, it was hoped we would get those amendments earlier in the day.

Sir ROBERT BORDEN: Yes, I quite appreciate that.

Mr. CARVELL: It is difficult to insert a word here, and take out a word there offhand, while we are considering a section. I have a copy of the amendments to be proposed, and I think that as drafted they very correctly represent the discussion we had earlier in the day. But this draft does not seem to contain the amendments which were proposed yesterday. I presume the minister takes it for granted that those amendments are part of the Bill.

Mr. DOHERTY: I am under the impression this contains the amendments that were not adopted yesterday.

Mr. CARVELL: I see, for instance, there is very little in this in regard to scrutineers. I think, perhaps, the minister's intention is that the amendments which were proposed yesterday are considered as having been passed.

Mr. DOHERTY: Yes.

Mr. CARVELL: And these are additional amendments?

Mr. DOHERTY: Yes. If the sections stood they stood as amended.

Sir ROBERT BORDEN: I think it would be best for the minister to put them on as a notice of motion now, so that hon. members may see what they are.

Mr. DOHERTY: In that event I would suggest that we go on with the sections from where we left off, and when we have passed over all the sections of the Bill we may then take up these amendments and others that may possibly arise.

[Sir Robert Borden.]

On section 12—Custody and count of ballots:

Mr. PUGSLEY: I understand that certain amendments are to be proposed by the Minister of Justice. I would suggest that we begin at the first section which is amended, and take the Bill section by section until it is disposed of. It does not seem right to go through a Bill, consider a section, and then pass on to another without finishing the first. One section should be disposed of before proceeding to another. In that way we shall know how to deal with the others, because they are all related.

Mr. DOHERTY: I certainly understood that the committee reached the understanding last evening that we should go over all the sections first, with a view to receiving suggestions with regard to them, letting them stand as we went along, with a view to passing amendments to meet the suggestions. I had supposed that that understanding would be followed out this evening. Then we should be in a position to go back over the sections that are standing, and, there having in the meantime been opportunity to consider the suggested amendments, we should take up those amendments in their order.

Mr. PUGSLEY: It is not intended to take up the suggested amendments this evening?

Mr. DOHERTY: Not unless we reach them, and unless when we reach them it is possible to deal with them.

Mr. PUGSLEY: I would not like to interfere with any understanding the committee has had, but it strikes me as being very unusual to take up the later sections of the Bill without dealing with and disposing of the former ones, because the determination as to the previous sections of a Bill would influence one in regard to the attitude to be taken as to those later on.

Mr. CARVELL: Under the previous section, it is provided that there is to be no polling after eight o'clock of the day fixed for polling in Canada. Is not thirty-one days a very long time in which to get those boxes to London? It seems to me that is deferring the decision of the election for a long time. Under this arrangement it would be probably six weeks from the time the election is held in Canada until there is any finality about it. I realize there will be some difficulty in getting in those

boxes, but I cannot see why that should take thirty-one days.

Mr. DOHERTY: There is room, perhaps, for question as to whether the delay may not be too long. It is provided in this section that boxes that have not been received by the thirty-first day, shall not be counted. Inasmuch as we have to cut them off absolutely at the expiry of the delay, it was thought desirable to make quite certain that the delay should be long enough. As to that precise period, I am disposed to place myself in the hands of the committee. If there is error in the delay, it is on the side of its being too long.

With regard to the different subsections of this section, we speak, in various places, of the Secretary of the High Commissioner and likewise of the Canadian Commissioner to France. There is an error in the designation. The proper designation of the officer described as the Secretary of the High Commissioner is the "Secretary of the High Commissioner's Office." That is his proper title. The gentleman described as the Canadian Commissioner to France should be correctly described as the "Commisssaire Général du Canada en France." It appears, by the Order in Council originally constituting the office, that the name was created only in the French language, so that there is no English name properly to designate him. I have separate amendments for each place. Perhaps I might move, in a general way:

That where the word "Commissioner" appears in the section as applied to the Secretary of the High Commissioner at London, there be substituted for it the words "Commissioner's Office", and that wherever the name "Canadian Commissioner to France" appears, there be substituted for it "Commissaire General du Canada en France".

Amendment agreed to.

Mr. CARVELL: What appears to be an omission in subsection 3 of this section is provided for by paragraph (e) of subsection 1 of section 4, which says:

Six scrutineers, three to be appointed on the nomination of the Prime Minister, and three on that of the leader of the Opposition. The appointment shall state the respective addresses at which notices given under this part may be served. One of each nomination may be present on each occasion of the opening of ballot boxes, and at the examination, application and counting of ballots, and every scrutineer shall have and may exercise all the rights of a candidate or his representative at any poll.

I think that is sufficient, because subsection 3 of section 12 provides that the ballot shall be opened only in the presence of the returning officers and clerks.

Mr. DOHERTY: I might point out that subsection 1 requires that notice shall be given to the scrutineers before these operations are begun. As I understood it, notice to scrutineers implied their presence, but it might be better to make it clear by inserting it wherever there is occasion for it.

Mr. GERMAN: Why is there so much delay in counting the ballots? They are not to be counted until the thirty-first day after that fixed for polling in Canada.

Mr. DOHERTY: The delay is provided in order to make sure there will be time for all the ballot boxes overseas to reach their destination.

Mr. GERMAN: Why not begin to count them as soon as they come in?

Mr. DOHERTY: As the ballots come in the envelopes will be assorted and distributed among the different constituencies to which they apply. The ballot boxes will be counted when all the boxes are in or on the thirty-first day, which is the time when the axe falls.

Mr. GERMAN: How will the officers know when the last ballot box is in? They might not be in within thirty-one days.

Mr. DOHERTY: They should all be in before that. The reason why the ballots are not counted immediately they come in is that you would not have all the ballots belonging to a constituency until all the ballots from everywhere had come in and had been assorted. It may be that thirty-one days' delay is too long, but I would rather err on the side of giving perhaps a little too much time, than risk a number of ballots being left out by making the time too short.

Mr. MURPHY: Apart from the time limit fixed for counting, is any other method provided by which it will be known when the ballot boxes are all in?

Mr. DOHERTY: By law we assume to be all in on the thirty-first day after the polling day.

Mr. A. K. MACLEAN: Might it not be wise to provide that the counting may proceed before the thirty-first day if it is found that all the boxes are in? Some record will be kept of the boxes, and it will be known when they are all in.

Mr. DOHERTY: That might be done. It might be wise to provide for that if there was reason to think this delay was too long. If we do that, we shall have to provide that any counting done earlier
10 p.m. than the thirty-first day shall be be done after notice to the scru-

tineers. It has been assumed here that as we were fixing a specific date on which the counting would be done there was no need to provide for notice to the scrutineers, who would have already been notified of the preliminary operations and would be assumed to know when the counting was to take place. If we are to make provision for an uncertain date, it will involve very considerable remodelling and the necessity of a new notice being given.

Mr. A. K. MACLEAN: I think most of the boxes would be in before the thirty-first day.

Mr. DOHERTY: That is not impossible.

Mr. CARVELL: I think there is a great deal of force in what the minister says as to fixing a precise date on which the counting shall take place. The only thing I do not understand is why it should be necessary to allow thirty-one days from the polling day. It would only be a matter of a few hours, I should think, before the ballots in the British Isles would arrive in London, and the ballots on the continent in Paris. It seems to me unreasonable there should be such a long delay.

Mr. MACDONALD: The thirty-one days does not apply to Canada?

Mr. DOHERTY: No, it relates to the proceedings in France and England. I would suggest that this section might perhaps be carried, and we could give a little thought whether it might not be desirable to modify the length of the delay.

Mr. CARVELL: We could let the section carry, on the understanding that we could go back to it.

Mr. DOHERTY: It would be well that we should specifically state the right of the scrutineers to be present, and therefore I would move:

That the subsection be amended, by inserting in the 27th line thereof, after the word "shall" and before the word "open", the words "in the presence of such scrutineers as may attend".

Amendment agreed to.

Mr. A. K. MACLEAN: It might be well, at the end of subsection 4, to require these statements to be made in triplicate.

Mr. CARVELL: One of these should be delivered to each scrutineer.

Mr. DOHERTY: I have no objection.

Mr. CARVELL: That is the practice in Canada. The deputy returning officer gives a signed statement to the scrutineer representing each side before he closes the poll.

It would seem to be only reasonable to carry out the same provision there.

Mr. DOHERTY: If we propose to do that we will have to make it in quadruplicate, because the present provision requires him to hand a duplicate to the secretary of the High Commissioner and to the Commissioner to France. If we want to provide copies for the scrutineer of each side we would have to have four altogether. I suppose he may give copies.

Mr. CARVELL: Yes, he may give copies—"and shall deliver copies thereof to each scrutineer present."

Mr. DOHERTY: I beg to move:

That subsection 4 be amended by inserting at the end thereof: "Copies of such statements shall be delivered to the scrutineers in attendance."

Amendment agreed to, and subsection 4 as amended agreed to.

On section 12, subsection 5—Vote for a party counted as vote for a recognized candidate:

Mr. A. K. MACLEAN: The word "party" there, of course, refers to "political party" in lines 6, 7, 8, and elsewhere?

Mr. DOHERTY: Yes, I think it is fairly clear from the context in the other provision. In view of the provision of the ballot for "Government," "Opposition" and "Independent candidate," we might insert the words "Labour party." If we insert those words, there is no purpose in stating "other party," because it will not be possible to mark a ballot for any party except the party that figures on the ballot paper. Therefore, I beg to move:

That subsection 5 be amended by striking out, in the 49th line, the word "other" and substituting the word "Labour."

Mr. MACDONALD: It is to be observed that if there is to be a delay until this official recognition is given by the leaders of both parties it will delay the casting of the votes on the other side? The subsection provides that this recognition shall take place within five days after the nomination. You will have to communicate with Great Britain. How are you going to communicate to the soldier the names of the official candidates?

Mr. DOHERTY: We have made special provision for the notification of that recognition. We have taken means to have immediately communicated to the soldiers the names of the candidates proposed. If the

soldier does not know the name of the man whom, say, the leader of the Opposition has designated as the candidate of his party, he is quite sure of getting his vote applied to the candidate by simply voting for the Opposition. This is only for the purpose of identifying the man to whom will go the votes that are given to the Opposition. We must give some delay for these gentlemen after nomination to determine their respective candidates, and I do not think that any serious evil results if we do not make special provision for communicating that to the soldiers.

Mr. A. K. MACLEAN: Suppose that it should happen that the Prime Minister was unable to state the candidate recognized by him? It would hardly be possible, but it might happen that there would be two candidates nominated, both of whom were supporting him. They might both be Independent Conservative candidates. What would be done with votes cast for the Independent? Of course a voter can protect himself by voting for the individual, but I suppose that many votes would be lost if what I state happened.

Mr. DOHERTY: If a man votes for the Government and the Government has no candidate, there is no means by which we can transfer that vote to any candidate.

Mr. MURPHY: Is there not opportunity for infinite confusion and conflict in this section? It says within five days of the day of nomination the Prime Minister and the leader of the Opposition and the recognized leader of any Independent party." There may be several parties, and there may not be a recognized leader for each. There may be the parties that our press friends speak of that are being incubated every day at the Chateau Laurier. There may be any number of parties with no ability to recognize a leader. If that continues up to the election, how will the votes be counted?

Mr. DOHERTY: I do not see how you could meet such a case.

Mr. KNOWLES: How would it work out in a constituency where a person of independent views runs who is acceptable to the Government because his views on what is recognized as the outstanding issue, namely, conscription, are acceptable to the Government? If there were two candidates, one conscriptionist Liberal and one straight, common Liberal, how would they be distinguished? Would the conscriptionist Liberal be called a Government candidate?

Sir ROBERT BORDEN: It would depend upon what the Prime Minister or the leader of the Opposition would say.

Mr. SINCLAIR: Suppose both claimed him?

Sir ROBERT BORDEN: All the happier for the candidate who gets both the Government and the Opposition vote.

Mr. PUGSLEY: The Prime Minister and the leader of the Opposition might trade off one for the other.

Mr. KNOWLES: Let us suppose that there are two men running neither of whom is ideal to the respective leaders, the Prime Minister saying: I am not going to have that man on my list because, for certain reasons, I do not want him, even if he does support conscription,——

Mr. PUGSLEY: He might be a free trader.

Mr. KNOWLES: —would there be no allocation of votes for that man at all?

Sir ROBERT BORDEN: The votes will be thrown away in that case.

Mr. KNOWLES: Then the candidates are really driven to receive the endorsation of one party or the other.

Sir ROBERT BORDEN: In this sense, that Opposition votes cannot be counted for any candidate unless he has been recognized by the leader of the Opposition and, similarly, votes cast for the Government cannot be counted for any candidate unless he has been recognized by the leader of the Government.

Mr. DOHERTY: I move to amend the section by inserting in the third line of page 10, after the word "independent" the words " or Labour party."

Mr. MACDONALD: Do I understand the effect of this section to be that the names of candidates are to be cabled to Great Britain and the list of them will be sent to the different camps and the recognition is to be communicated within five days after the official nomination? What is to be done with that so far as sending it to the other side is concerned?

Mr. DOHERTY: We have no express provision for its being sent to the other side at that time. It does not come to be required until we are allotting the ballots and we assume that would be known to the Clerk of the Crown in Chancery.

Mr. CURRIE: What is the objection to placing on the ballot "member of the Conservative party" and "member of the Liberal party" instead of using the words "Government" and "Opposition." We hear so much about other governments that we can never tell whether anybody can support any government; it may not be in vogue about the time the vote is taken. I think that, in the interest of party government, the parties should be named there without any disrespect to anybody in the House, we all see every morning that we are to have a new government. One gentleman has been given the making of governments in this country and he has been busy for about two months. This House has been sitting by waiting for this Government to come through and I do not think there is a single soldier in the trenches who would feel inclined to vote for any government that this gentleman would bring forth. I refer to Sir Clifford Sifton. Sir Clifford Sifton, as we all know, has figured in the courts during the last year. It was shown he was the recipient of about a million francs, which. as a middleman, he squeezed out of the French Government and French people for whom we are sending our soldiers to fight. In the interest of the people of this country let us have the names of the parties there, so that the soldiers will know what party they are voting for. I am a Conservative, and don't make any bones about it, and I think the Conservative party is the party in this war, that party will win the fight that is coming on. and we had better put that name at the top of the column.

Mr. A. K. MACLEAN: Put it in the statute.

Mr. CURRIE: I am a Tory, and the other parties are Liberals, with all due respect to them.

Mr. PUGSLEY: If I understand the suggestion, it is that the words "Government" and "Opposition" should be struck out, and a space left for the name of the candidate. I was going to suggest the same thing. I do not think there is any advantage in this great departure of allowing the ballot to be cast for Government, Opposition or Independent candidate. We had better pursue the old practice of having the names of the candidate placed on the ballot. Let the elector write the name of the person for whom he wants to vote. I see no reason to make the change.

Mr. KNOWLES: In this election there will not be the clean-cut cleavage between the parties which formerly existed. Our friends in the trenches simply have the knowledge which they possessed when leaving here, and I think it is a fair presumption that they have not at their fingers ends details of things that have happened during the last few months, and we know that throughout the whole of Canada men who were keen opponents of one party at one time are no longer in that class, and might be altogether out of sympathy, in a want of confidence motion, with their party. What my hon. friend has said with regard to the government to be formed by Sir Clifford Sifton, if there was any injustice done to any person because of that. if the boys at the front would resent it, I suppose another notice could be published of those not under his wing, and I think this list would be the one that would be favoured more by the soldiers. In justice to Sir Clifford Sifton, the sum of money which he made out of the French Government was made in a horse trade, and it was well laid down policy of this Government that the finer rules and principles of life do not prevail with regard to horse trading. This was shown in the Kings county horse deals.

With regard to the money Sir Clifford Sifton made, we must remember that fact, and judge him as we would judge any other man desiring to make money as a horse trader. I very strongly endorse the suggestion of the hon. member for St. John that the names of the candidates be inserted. I was going to further suggest, because there will be a great absence of information in the minds of the electors, that a certain number of geographical maps be printed by the department, and that these be available to the soldiers also. Each province might be divided into electoral districts on the maps. I do not know so much about any part of the country except my own, and I know that the redistribution has transformed the district, for example, so that hundreds of men who used to live in the Moosejaw electoral district have no idea what riding they are in. It is divided into four complete ridings, and parts of other ridings taken in. These men would have no accurate knowledge as to the ridings in which they should vote. Can the Minister of Justice inform us if there are any electoral geographical maps?

Mr. DOHERTY: They are furnished by the clerk of the Crown in Chancery to all the officers who are doing the counting and assorting, and it is precisely on account of that fact that it is important for men to vote for Government, Opposition or Inde-

pendent candidate, because an elector, such as the one described by the hon. gentleman, one who is not quite certain of the electoral district to which he belongs, might vote for a man of a particular name, but if he has made a mistake in the electoral district to which the vote belongs, and puts in the name of the candidate of whatever party he desires to vote for, his ballot will be lost. Whereas with this ballot, you have an advantage, because the man who is uncertain as to his constituency marks his ballot Government or Opposition, as he sees proper, and care is taken to see that the vote goes to the candidate in the constituency in which that man is entitled to vote. It is a great protection for the voter against the consequence of error, as to constituencies, and, with the best precaution that can be taken, errors will, I fear be very prevalent.

Subsection 6—Vote for person by name accepted if he is a candidate:

Mr. GERMAN: It seems to me that, under this section, there might be some considerable injustice. I think it should be provided that, in the event of a person being a candidate in an electoral district other than that to which, in accordance with the endorsement or marking on the envelope, such ballot had been applied, and if there appeared a bona fide intention of voting for that candidate, such candidate should not be deprived of the vote. Provision should be made to rectify a clear mistake.

Mr. DOHERTY: I do not see how we could rectify it. If a man has a vote in one electoral district, and he votes for a man who is a candidate in some other district, he is not a qualified voter in that district. I think it is impossible to meet the case suggested by the hon. gentleman.

Mr. CARVELL: I think that if the hon. member for Welland will consider the matter he will see that his suggestion might lead to a great injustice. You might take a constituency that was strong one way or the other, where a man's vote was not needed very badly, he could simply transfer his vote to the next constituency. I am afraid it would open the door to things many of us would not like to see. He must state to the officer under oath where his residence is, and if he is not sure about it, under section 12, subsection 2, they will look over electoral charts and make up their minds where that man resides, and where he should vote.

Sir ROBERT BORDEN: You might as well abolish all those provisions, if that suggestion were adopted.

Mr. CARVELL: A man ought to be compelled to vote only for a candidate representing his electoral district.

Mr. DOHERTY: The other evening a question was raised in regard to the mutilation of a ballot. If it should happen that a man wrote on the ballot the name of the candidate for whom he voted—he being a voter in the electoral district for which that man was a candidate but at the same time marks a cross after either "Opposition" or "Government," what would happen to the ballot? I think there was general agreement that if he wrote in the name of the Opposition candidate and also put a cross after "Opposition" he would only have doubly clearly expressed what he wanted, and the ballot should be counted for the Opposition candidate.

Mr. CARVELL: But suppose he did it the other way?

Mr. DOHERTY: There is where the question arose. Supposing a man voted expressly by name for a candidate who was a candidate in the constituency in which he was a voter—say he voted by name for a gentleman who was a Government candidate, and put a cross after "Opposition." I think in the absence of any provision on the subject that ballot would have to be rejected, because the man would have voted for both sides. It was urged with a great deal of force that the expression by which a man had voted for a candidate by name should be taken as clearly indicating his real intention, and that the ballot should not be set aside merely because by some possible mistake he put this cross after the name of the other party. I was very much impressed with that. I think all the presumptions are that that man clearly intended to vote for the individual whose name he put down, but was in error as to what party that individual represented. To meet that view I move to amend subsection 6 by adding the following words:

"Where any ballot paper bears on its face a vote for a person by name and is also marked as a vote for a party other than that of which such named person is a candidate, such ballot shall be counted as a vote for the candidate named thereon."

Mr. PUGSLEY: I do not think that should be, because there you have the name of the candidate, and you have the

man putting a cross in the square opposite the party which that candidate does not represent. As an illustration, he is voting for a man who is a Government candidate, and then he puts the cross in the Opposition square. What right would these returning officers have to say that he intended to vote for the Government candidate any more than he intended to vote for the Opposition, or vice versa? It seems to me in a case of that kind the ballot would have to be rejected. In case a man were to put the name of the candidate and then put a cross in the square of the party the candidate represented—

Mr. DOHERTY: In that case I would make no provision, because none is needed.

Mr. PUGSLEY: Surely it would not do in the other instance, because it would be entirely uncertain as to how the man intended to vote.

Mr. DOHERTY: It was urged with a good deal of force that we must endeavour to ascertain the intention of the voter, and carry it out. While unless you make a provision in the law about it, the reasoning of the hon. member for St. John would lead to the conclusion that you must reject the ballot. I think, with all respect, that all the presumptions in that case are that where the mistake occurred was not with regard to the individual this man named but with regard to the name of the party to which that individual belonged. It is well to remember that though we talk about parties, and Opposition, and Government, after all in an election in each constituency what is sought to be determined is, what man has the majority of the votes? Here you have the express declaration of the intention to vote for the man, and I would feel —although I am not disposed to insist upon it—that we were quite justified in saying that rather than reject the ballot we would count it for the man for whom, there is such a very strong presumption, the voter intended to vote. I may say there were quite a number of members here the other evening, who are not now present, who entertained that view.

Amendment agreed to, and subsection as amended agreed to.

On subsection 7—Ballot not rejected for uncertainty if intention of voter can be seen on mere inspection:

Mr. A. K. MACLEAN: I would like to ask the minister if I am correct in assuming that no mark is to be placed on the ballot by the officer taking the vote in Europe? Should not there be a direction that when the ballot is handed out it should be marked by the officer in charge, so that it can be identified when it comes back?

Mr. DOHERTY: What we relied upon for getting back the identical ballot that was given out was the fact that the marking was to be done in the presence of the officer. If you insist upon markings, signatures, and so forth, you will indispose the soldier to engage in this thing. We have to simplify it as much as we can.

Section agreed to.

On section 13—Duty of every returning officer under part III to send certificate, ballots, etc., to general returning officer:

Mr. A. K. MACLEAN: If a recount were demanded of a poll within Canada, how would those ballot boxes, ballots and other papers be procured? In the meantime, they would have been sent to Ottawa.

Mr. DOHERTY: The provision is that the returning officer does not send forward those papers until the delay for asking for a recount has expired.

Mr. GRAHAM: The delay is for how many days?

Mr. DOHERTY: Four days.

Mr. A. K. MACLEAN: The numbers might be given, but it might take two weeks to get the documents.

Mr. DOHERTY: Once notice of demand for a recount is given, the returning officer should not send them away pending a proceeding. He does not send them away until he has made the final addition of the votes.

On section 14—Declaration of election by general returning officer:

Mr. MACDONALD: I think we should provide for verification of the cable. Otherwise, we might have the returning officer returning a member for a certain constituency who might afterwards be unseated owing to an error in the cable.

Sir ROBERT BORDEN: I suppose a mistake of that kind could be corrected without any special provision. Of course, a telegram is liable to error, and so is a letter. I remember being told a very interesting incident by the Clerk of the Crown in Chancery when I was a very much younger member of this House than I am now. He said that happening to look up some documents, purely by accident, I think, relating to a particular election,

after the parliamentary term had expired for which the election took place, he discovered that through a mistake in a return by one of the returning officers the man who had been returned was not actually elected, but was returned and sat for the whole parliamentary term. So accidents are possible under any system. What my hon. friend suggests is that we should have some better means of verification than by a telegram. The only difficulty about that is the delay it would occasion. The delay has already been alluded to by the hon. member for Carleton (Mr. Carvell).

Mr. PUGSLEY: Is it not correct that the cablegram is only for public information? Must not the returning officer await the statements before making the declaration, as provided in subsection 4 of section 12?

Sir ROBERT BORDEN: Yes. I was rather misled by the suggestion of my hon. friend from Pictou (Mr. Macdonald). The telegram is only for public information, and the formal return must be made later.

Mr. MACDONALD: I was going to suggest that we follow the same practice in regard to the verification of the announcement of the results as was provided by an amendment yesterday with regard to the verification of the names of the candidates sent to Great Britain. The names must be cabled back for verification. I am only suggesting that the cable should be verified before the announcement is made.

Sir ROBERT BORDEN: As the cable is only for public information, perhaps we might leave it to the discretion of the officers.

Mr. DOHERTY: All these things, if I am not mistaken, are officially announced in the Gazette. What I had in mind was that this sort of information will be so generally known that any error in a telegram would correct itself, because people will have the information from other sources. But I have no objection to having the telegram repeated.

Mr. MACDONALD: Suppose the steamer went down with the returns—some ballots nearly went down on the Lusitania—the telegram might be the sole basis on which to make the returns. Is any provision made in case the returns are destroyed?

Mr. DOHERTY: No special provision is made, but the general rule would apply, that where the best evidence is destroyed you could resort to secondary evidence.

Mr. PARDEE: The certificates are to be given to each party.

Mr. DOHERTY: Yes. They are in duplicate. The High Commissioner keeps one, and sends one over here.

Mr. MACDONALD: This is a new law and abrogates the old in regard to the return of members of Parliament. Suppose that the authentic and official documents on which the returning officer makes his return are lost. My hon. friend says, take the next best evidence, as at common law.

Sir ROBERT BORDEN: The same thing would apply.

Mr. MACDONALD: You cannot act without a statutory provision.

Mr. DOHERTY: The High Commissioner gets the return in duplicate and sends one over here. If that one gets lost
11 p.m. he has the other one. It is a duplicate, not a mere copy. It is as much the original statement as the one that was lost.

Mr. MACDONALD: I quite understand that, but what is the returning officer in Canada going to do in the meantime without any returns?

Mr. DOHERTY: The provision is that he does not announce the election till he gets the returns. We are providing against the first statement being lost on its way over, by having a duplicate in the High Commissioner's office. I suppose we could provide, if it is really thought necessary, that under those circumstances, the returns can be established by secondary evidence; that is, by producing copies or evidence of another sort.

Mr. MACDONALD: I submit in all seriousness that if this question of the return of members of Parliament was reviewed in the courts it would turn entirely on the construction of the statutes, and if there was no provision for the returning officer making the return upon secondary evidence the return would be set aside on the ground that he had no authority to make it. There is another thing that should be remembered. Suppose there is any postponement or delay in the forwarding of returns. That might mean that the return of all the members to the House of Commons would be delayed, because we are all in the same boat. The returning officer cannot act until he gets the returns, and the returns may be delayed for an indefinite period owing to an accident.

Sir ROBERT BORDEN: I do not think anything could be done to meet that, un-

less we were to provide for an indefinite number of originals to be filed with the High Commissioner. The minister has gone so far as to provide duplicates. If one is lost the other is there. You will be in a position either to use that duplicate or to give secondary evidence of it.

Mr. MACDONALD: You would need to say so in the statute. It may be that the return for every hon. member of this House might be delayed indefinitely unless you state in the statute that in the event of the loss of the return the contents of the duplicate may be verified in some way, and the return made.

Mr. DOHERTY: We might perhaps treat that section as we have treated some others. I will think the matter over.

Section agreed to.

On section 15, subsection 1—Final addition and recount in London of votes polled in United Kingdom or Europe:

Mr. DOHERTY: This section gives an answer to the question which was asked in connection with section 13.

Mr. MACDONALD: Are we to understand that the only way in which any one can get a remedy by means of a recount is to have the recount in England and to incur the expense that such a proceeding will involve? Why cannot these ballots be sent to Canada and be recounted here, if necessary? A candidate who desires a recount will have to retain English counsel, and a man who desires to avail himself of that remedy will need to have a bank behind him.

Sir ROBERT BORDEN: The difficulty is the danger of the ballots being lost under present conditions.

Mr. MACDONALD: I think it would be worth while taking some chance about that. Anybody who knows anything about retaining solicitors and counsel in England knows what an expensive matter it is. This applies to hon. gentlemen on both sides. Surely some remedy could be had in Canada. Any one connected with the legal profession knows what it means. Any hon. gentleman, who is not a lawyer and who wants to have any question brought up, must retain Canadian counsel, the Canadian counsel must communicate with some solicitor in England and then this solicitor must hire counsel to attend these hearings. It is a tremendously onerous proposition. Surely there ought to be some provision for a recount in Canada.

[Sir Robert Borden.]

Sir ROBERT BORDEN: Of course, the election is being conducted under extraordinary conditions, and we cannot have in England or France the same conditions as those which prevail in Canada. It is purely a question of whether you shall have the delay and danger of transmitting these ballots to Canada or whether you shall have a recount in Great Britain. It is a question for the committee.

Mr. MACDONALD: It is not a party question. It is a question in which every member of this House is interested. If there is any mistake. or if there is any question that a candidate for this House wishes to have investigated, he might as well understand that he cannot have a recount in Canada but that he must go to tremendous expense, so much so that he cannot have a recount unless he has a large amount of money.

Sir ROBERT BORDEN: I think my hon. friend's idea of the additional expense is somewhat exaggerated. You would not require counsel. A solicitor in England would do all the work. Solicitors in Great Britain do a good deal of work in the courts under the modern practice there. There is no need to retain counsel unless someone wants to go to that additional expense. All you would require would be some junior solicitor to attend for the purpose of seeing that these ballots, if they had been properly marked, had been counted.

Mr. MACDONALD: Look at the procedure:

> shall be instituted and had at London, England, before a person who may be designated for the purpose by a judge of the High Court of Justice of England. Such proceedings shall be initiated by an application to the High Commissioner or Acting High Commissioner of Canada at London that he secure the appointment of a recounting authority.

There is no compulsion on him to secure it.

Sir ROBERT BORDEN: We have to depend, in this respect, upon the comity of nations to a certain extent, upon the expectation that the judges in Great Britain will act in conformity to what after all is only a request. I have no doubt that the judges in England would assist in carrying out the Act. We really have not jurisdiction to tell them to do so. We have every confidence that they will act in the manner suggested and assist us to carry out the Act.

Mr. MACDONALD: If an hon. member of this House finds he is twenty or thirty votes behind he will want a recount. How is he

to get it? It says here that such application shall be made within four days after the time fixed in the Canada Gazette and the London Times. Is he to move by affidavit?

Sir ROBERT BORDEN: Oh, no.

Mr. MACDONALD: I want to see the procedure.

Sir ROBERT BORDEN: After the judge has appointed a person to discharge the duties which the county court judges discharge in this country, the procedure will be the same; either he or some one on his behalf will have to make an affidavit, I suppose.

Mr. MACDONALD: There are some very close decisions in regard to what is sufficient for affidavits for recounts.

Mr. DOHERTY: By section 15 all the provisions of part 3 with regard to recounting are made applicable, with the substitution for the word "judge," of the words "recounting authority." You make application to the High Commissioner, you ask him to get a recounting authority appointed, and when he is appointed you proceed before him just as before a judge here. Power is conferred upon the recounting authority to extend for such reasonable periods as may be necessary the times limited for taking any step in official addition or recounting proceedings affecting any votes polled under this Bill.

Mr. A. K. MACLEAN: Part 3 of our Act gives four days between the opening of the returning officer's court and the commencement of recounting proceedings.

Sir ROBERT BORDEN: There is authority to extend the time.

Mr. DOHERTY: The Governor in Council is empowered to fix a date from which the four days will count.

I wish to move the same amendment that has been made to section 12. I shall move in respect to this group of clauses, that, wherever the words "secretary of the High Commissioner of Canada" appear, there shall be substituted the words "secretary of the High Commissioner's office," and that wherever the words "Canadian Commissioner to France" appear, there be substituted the words "Commissaire Général du Canada en France."

Mr. MACDONALD: Is any attempt being made under this law to forward these ballots to Canada? Under the law of to-day an affidavit must be made of incorrect statement or improper adding, and it must be made positive. It seems to me that part 3 would have to be amended in regard to the deposit. This provision applies to Quebec and Alberta and the Yukon. Do I understand that no deposit is to be required for a recount on the other side?

Mr. DOHERTY: We have provided that all those provisions contained in part 3 shall be applied, and that the recounting authority shall be the equivalent of a judge. I would understand that to mean that when you go before that recounting authority you must satisfy him you are complying with the requirements of the law.

Mr. MACDONALD: With whom are you going to deposit the money? There are special officers referred to in part 3, but no provision with regard to this. Part 3, of the statute refers to the matter.

Mr. DOHERTY: I would think that it would be quite within the power of the recounting authority to say: "If you do not make the necessary deposit, the recount will not go on."

Mr. MACDONALD: Deposit with whom?

Mr. DOHERTY: The recount authority. We have to adapt conditions over there, and I do not think there is very much doubt that we, having transmitted this duty to the recount authority, he could act. We cannot send all these officers over from Canada, but the substantial obligation to make the deposit exists, and I do not think it would be any excess of power of the recounting authority to require that the deposit be made. He could find somebody reliable with whom to make the deposit.

Mr. MACDONALD We make part 3 applicable to conditions in England, but how will the deposit be made? In some provinces in Canada we deposit the money with the Clerk of the Court; in other provinces it is deposited with somebody else. You do not say anything as to who shall hold the deposit in England. If you are going to provide for security for costs, you should provide where the money shall be deposited otherwise the judge in England designated for this purpose would very fairly say: "There is no provision with regard to security for costs here." The statute should be made clear. A party might lose his recount, after going to a lot of expense, if the deposit were not made properly. Applications for recount in Can-

ada are set aside when deposits are not properly made.

Mr. DOHERTY: In order that there may be no difficulty we might add to subsection 2 the following words:

And the recounting authority shall have power to determine with whom the deposit described shall be made.

Mr. MACLEAN: There is apparently no way of a candidate learning the result of the count in England, or in Europe, unless he has an agent at hand, who would communicate that information to him. The result is not telegraphed to Canada until the final counting, which can only be after the recount, if there is one. I cannot suggest a way out of the difficulty, but the candidate in Canada has no means of determining whether or not he should ask for a recount.

Mr. DOHERTY: If we go back to the section that deals with it, the provision is that when the counting is completed the counting officer hands a certificate of the result of that counting to the High Commissioner in England, who telegraphs it at once to the general returning officer, and follows that up by sending over his statement, and the returning officer, upon that statement, is empowered to proclaim the result of the election. There is no provision to send to every candidate in Canada notice of what that counting is. It would seem to me it might be fairly assumed that, when all that information is communicated to the general returning officer here, and is furthermore in the hands of the scrutineers representing the respective parties upon the other side, there would be no real difficulty in a candidate ascertaining it. I have not the slightest doubt that that information will be public property in Canada the day after the telegram comes.

Mr. A. K. MACLEAN: What section requires a telegram to be sent to Canada?

Mr. DOHERTY: Subsection 9 of section 12, which reads:

(9) Upon receipt of the statement, mentioned in subsection four of this section, of the votes applicable to each candidate in an electoral district, the secretary of the High Commissioner and the Canadian Commissioner to France, respectively, shall communicate the text thereof by telegraph, and such document itself by registered post, to the general returning officer.

Immediately on the statement being sent in, it will be cabled to this country, and followed by sending the statement by mail.

[Mr. Macdonald.]

Then, as we amend subsection 4 of section 12, it will require that copies of such statements—that is the statement of the result of the counting—shall be delivered to the scrutineers in attendance.

Mr. A. K. MACLEAN: I do not see how it can be improved, but there is not much chance of a candidate asking a recount in four days.

Mr. DOHERTY: Section 14 makes it the duty of the general returning officer, when he receives the information here, to communicate it to any person who asks for it.

Mr. GRAHAM: That means he will make it public.

Mr. DOHERTY: And a candidate has only to ask for it, and he will get it.

Mr. MACDONALD: Does the Minister of Justice understand that these provisions with regard to recount do not affect the right to a recount being had in Canada, with respect to the votes being cast in Canada?

Mr. DOHERTY: I do not think it possible that those conditions could deprive the candidate of the right to have a recount of the ballots cast in Canada.

Mr. MACDONALD: Would you put in a saving clause? You have one general returning officer. Your returning officer in each county does not return anybody. There should be some amendment to part 3, in order to make it clear you could serve a returning officer in a certain time. How would a man in British Columbia serve the returning officer in Ottawa?

Mr. DOHERTY: The obligation of the ordinary returning officer at home is to send all his papers to the Clerk of the Crown in Chancery. We have substituted the obligation to send them to the general returning officer. We have left the rest of the law as it was. The provision stands entirely unaffected, but that operation will be stopped if somebody makes an application to the judge for a recount. All we have done with part 3 is to make its provisions applicable overseas, with the substitution of these different things, but we have not made them inapplicable to the operations here carried on under part 3, and those operations remain subject to the provisions of part 3.

Mr. MACDONALD: If the minister will assure me that if after looking into this matter I have any suggestions to make it clear I shall have the right to make them—

Mr. DOHERTY: If I should be in error about it, I shall be glad to have it brought to my attention.

Section agreed to.

On section 16—Emergency poll:

Mr. DOHERTY: There is a printer's error which I would like to correct. I think the word "be" should be inserted at the beginning of the third line, and I move that the section be amended in that respect.

Mr. A. K. MACLEAN: The Governor in Council might be called upon very unexpectedly to grant a poll. I think the section should require notice to the candidates at least. It might happen that you would not have time even to put up notices. I know the British Columbia vote at Halifax was taken on less than twenty-four hours' notice, and a great many did not know it was being held.

Mr. DOHERTY: The Governor in Council is empowered to make provision for the polling of the vote. I think there are not apt to be very many cases in which this will arise, and I believe the Governor in Council may be entrusted to make reasonable provision.

Mr. CARVELL: There is nothing in this section to the effect that the provisions which will be hereinafter enacted regarding the scrutineers being present shall be adhered to.

Mr. DOHERTY: I should think the Governor in Council would consider that in making provision for the holding of the vote on a different date. I do not understand that it would alter the matter of holding the poll.

Mr. A. K. MACLEAN: Except that he might not have time to carry it out at all.

Mr. DOHERTY: If there is not time to carry it out at all, I suppose the Governor in Council would not try it. All he is empowered to do is to make provision for the polling of their votes in the manner by this part provided. He cannot change the manner.

Mr. GRAHAM: Read the balance of the section.

Mr. DOHERTY: (Reading):

> On a day prior to their departure, and may modify the provisions of this part relating to time or procedure in so far as may be necessary to render such polling possible.

Mr. A. K. MACLEAN: That means you might telegraph a man at Halifax to take the poll of two thousand soldiers who were to leave next day for overseas.

Mr. DOHERTY: I think the question for the committee is whether under those exceptional conditions it is willing to entrust the Governor in Council to provide to meet them. If it is not, of course I do not know how we can very well deal with it. I am willing to insert any words that may be useful.

Mr. A. K. MACLEAN: I only mention it so that the attention of the minister may be drawn to it.

Mr. McKENZIE: Will this Act apply to home guards, where there are home regiments?

Mr. DOHERTY: It would apply to the militia on active service. Militia on active service may be away from their homes just the same as the Canadian Expeditionary Force.

Section agreed to.

On section 17—Offences and penalties:

Mr. MACDONALD: Of course, this section is of no value unless there is some amendment to the Militia Act by which the doing of these things would be a military offence. It could not be enforced outside the country. I suggest to the minister whether we could amend the Militia Act.

Mr. DOHERTY: It strikes me as a somewhat remarkable thing to try to make these duties military duties. While it is quite true that if the offences be committed outside of Canada we will not be able to apply the punishment—at least I take that to be the law—it is also true that those things may be brought about by people who are in Canada, although the operation itself is actually effected outside of Canada. Those parties in Canada would be subject to the punishment. Then we must remember that this statute also has application in Canada for the taking of military votes in Canada. As to the suggestion that we should make this offence a violation of military duty, it would certainly be extreme to apply it to people who are not military officers.

Mr. MACDONALD: It would be of no value to those who were not military officers nor attached to the force. This may be only mere ornamentation and intended to apply only to stray persons in Canada, who may be connected, in some way or another, with the force; but suppose men connected with the taking of the votes in England or France found that some fraud had been

committed, there is no way in which any penalty could be imposed on them, unless the minister would amend the Militia Act so that anything made an offence under this measure could be dealt with by the military authorities. The trouble about the whole thing is that military offenders can not be punished unless the Imperial authorities pass some complementary legislation.

Mr. DOHERTY: The whole proceeding is distinctly a civilian affair, and it seems to be rather unfair to seek by our law to make a man who happens to be a military officer amenable for an offence for which a civilian doing the same thing would not be amenable. If the hon. gentleman will look over the section he will find that many more of those things can be done in Canada than he conceives. People in Canada, for instance, may seek to prevent the delivering of those messages. This provision is far from being mere ornamentation.

Mr. MACDONALD: It simply means this, that anything in the way of infraction of the law that can be committed may be committed in England and France, and nothing will be done to the party who commits the offence. Will the minister see if he can find some way of carrying out my suggestion?

Mr. DOHERTY: I shall be glad to think about that as well as about other matters. At first glance it strikes me as an extraordinary proposition that we should make offences of this kind military offences.

Sir ROBERT BORDEN: So far as I am able to understand the suggestion of my hon. friend, I do not think it would advance the matter one whit further.

Mr. MACDONALD: I make the suggestion only as a possible solution. There is no sense in inserting in this Military Voters' Act a quantity of fanciful infractions of the law, and penalties, and things of that kind if they are to be only of as much value as waste paper. Can not something better be devised?

Sir ROBERT BORDEN: My hon. friend is mistaken. This section has an application in Canada and therefore, it is not purely ornamentation. Outside of Canada, it has at least a certain moral effect; it is there on the statute book. If we should attempt to convert offences of this kind into military offences, we would simply be attempting to evade the plain provisions of the Militia Act and the corresponding Act in the United Kingdom to which, in the final analysis, we have to resort for the enforcement of military law.

Mr. GRAHAM: You might make all these men honourary colonels and bring them under the Militia Act.

Sir ROBERT BORDEN: In effect, what my hon. friend would suggest is this, that we should make offences under this measure offences under the statute of the United Kingdom. If we enact that, we would not be a bit further along, because the same objection that might be raised to this could be raised with regard to that.

Mr. MACDONALD: I do not think so. I think that under our statute relating to military matters, the King's regulations are made effective in Canada and applicable to the forces. The King's regulations are in force in Canada, because it is so stated in the Militia Act. I simply want to suggest consideration of the question as to whether or not something can be done.

Section agreed to.

Mr. WRIGHT: Will soldiers have to vote in their capacity of soldiers? There must be some hundreds of soldiers employed in the city of Ottawa, and the same is true of other cities. They will have a vote in their capacity of civilians as well as in their capacity of soldiers. Will those men have an opportunity of voting in either capacity; that is, can they vote as citizens or vote as soldiers?

Mr. DOHERTY: The soldier may exercise either vote. He cannot, of course, exercise both.

Mr. GRAHAM: Is there any provision by which a soldier can go home and vote?

Mr. DOHERTY: We are trying under this measure to make provision so that the soldier away from home will have the poll brought to him. We are, therefore, not making a provision to let him go home to vote. He votes for his own constituency, but he votes, under this system, in his camp or wherever he is. If he happens to be at his home, he may vote there.

Mr. CARVELL: I would suggest that the minister give notice of these amendments and then, between now and to-morrow, we could take them into consideration and try to frame a measure as it will be with these amendments. If all the amendments were comprised in this typewritten document, the matter would not be too bad, but certain amendments have

already been adopted. I suppose, if we take Hansard of yesterday and these proposed amendments, we shall find out how the legislation reads.

Mr. DOHERTY: Before we deal with that matter, the ballot form and also forms B and D require amendment.

Mr. CARVELL: The hon. member for St. John notified me before leaving that his constituency is not described correctly. It should be "the City and Counties of St. John and Albert."

Mr. DOHERTY: The electoral districts affected are St. John, Ottawa, Halifax, South Cape Breton and Richmond. I beg to move that:

Form A be amended by striking out in line three after the word "particular," the word "person" and substituting the words "candidate or candidates designated by name," and by striking out the word "person" after the word "such" in the fourth line thereof and substituting the words "candidate or candidates." Further, by striking out the words "une personne en particulier" in the seventh line thereof, after the word "pour" and substituting therefor the words "un ou des candidats en particulier designés par leurs noms" and by striking out in the eighth line the words "cette personne" after the word "de," and substituting therefor the words "ce ou ces candidats." By inserting in clear black type, the words "in the electoral dictricts of Ottawa, Halifax, South Cape Breton and Richmond, and the city and counties of St. John and Albert, two candidates may be voted for"—Dans les divisions électorales d'Ottawa, Halifax, Cap-Breton Sud et Richmond, et St. John, on peut voter pour deux candidats." By erasing the straight line in the first space. By making a fifth white space and inserting the words "I vote for the Labour candidate"—"Je vote pour le candidat Ouvrier."

Amendment agreed to.

Mr. DOHERTY: I beg to move that Form D be amended by adding to the last word thereof the words, "I have not previously voted at this election."

Amendment agreed to.

Mr. A. K. MACLEAN: I would suggest to the minister that No. 1 space should be wider. It will be remembered that in four instances two names may have to be written within that space.

Mr. DOHERTY: Perhaps we might have that done.

Progress reported.

On motion of Sir Robert Borden, the House adjourned at 12.05 a.m. Friday.

Friday, August 24, 1917.

The House met at Three o'clock, the Speaker in the Chair.

A FIXED PRICE FOR WHEAT.

On the Orders of the Day:

Hon. FRANK OLIVER (Edmonton): A statement has appeared in the press that Canadian wheat, which was formerly subject to a maximum price after the 1st of August, and also subject to prohibition of export to the United States, has now been made subject to a fixed price of $2.40 up to the end of August. There is a difference between a maximum price and a fixed price, and I should like to know at what point this occurs and, generally speaking, the policy of the Government in the matter. The handling of the crop of the Northwest is a very important matter. The Government has seen fit, for what I suppose to be good and sufficient reasons, to assume a measure of control, in fact full control, over the handling of that crop. I wish to say that it is not at all satisfactory to have notice that a certain position—

Mr. SPEAKER: Order.

Mr. OLIVER: —prevails and to-morrow that a different position prevails.

Mr. SPEAKER: The hon. member is rather exceeding his rights. He cannot in putting a question proceed to call in question the action of the Government.

Mr. OLIVER: I did not wish to call in question the action of the Government.

Sir GEORGE FOSTER: The object in view has been from the first, and will continue to be, as large a measure of co-operation as possible between Canada and the United States with reference to such matters. It was expected that before the first of August, powers would have been obtained from Congress by the authorities at Washington, enabling them to deal with the question, but the legislation was delayed. Therefore the Board of Grain Supervisors of Canada in order to regulate matters for the time being and until co-operation could effectively take place between the authorities on both sides, fixed a maximum price on an ascending market, the object of which was, while getting a good price for the Canadian farmer, to prevent an undue inflation of price during the interim, which would have had the effect of advancing prices on a merely speculative basis and driving up the advancing price of wheat the price of flour and consequently

of bread, which would have reacted upon the whole population of the country as consumers. As time went by it became apparent that the United States would not get effective control or regulation until probably about the end of August or the first of September. Consequently the period had to be lengthened to take us up to that time. There was a general impression in the United States that the price of wheat would be fixed, and that it would not be fixed at anything like the figure of $2.40 for the crop of 1917. That, of course, caused a great deal of confusion and uncertainty in the market. In the United States it had the effect of practically destroying trade at interior points, because no person would care to buy wheat at interior points unless he had a fair certainty of what he would receive at the terminal points when his wheat arrived there. The impression was that the fixation by the United States would be at a price somewhere about $2, (but without any certain knowledge as to what it would be,) and so the effect I have spoken of was widespread and it resulted practically in confusing and in fact in preventing trade at interior points. The same influence began to be prevalent in the Canadian Northwest. In the same way, in the interior elevators at inland points—and we have 3,500 interior elevators—no person was disposed to buy unless he felt fairly certain of what price he would get at the terminal point. As there was only a maximum price, there was no certainty as to what price he would receive. It was to prevent that state of things on a falling market and to make certain of a flat price at Fort William and Port Arthur in the month of August, that, on this falling market, a flat price was fixed at $2.40. That carries us along through the temporary period. At the present time the idea is that by the first of September complete co-operation will be had between the United States and ourselves, and that then the permanent fixation of prices will take place for the 1918 crop.

Mr. OLIVER: In the same connection I notice that the Winnipeg price of No. 1 Northern wheat on August 23 is $2.40; and the price of No. 2 Northern $2.38. I notice that on the same date the price of No. 1 in Minneapolis is $2.50 to $2.60; of No. 2 Northern, $2.45 to $2.50; that in Duluth on the same date the price of No. 1 is $2.50 and of No. 2 Northern $2.45. I understood the minister to say some time ago that there was a fixed maximum price in the United States.

[Sir George Foster.]

Sir GEORGE FOSTER: No, there has never been a fixed maximum in the United States.

Mr. OLIVER: I understood him to say that the price in Minneapolis was lower than the price in Winnipeg at a certain date.

Sir GEORGE FOSTER: At that particular date, yes.

Mr. OLIVER: Are the figures I have quoted to-day correct?

Sir GEORGE FOSTER: The figures are as they are given in the newspapers, and I imagine they are correct. But the whole point seems to be that the variation in price between times—a sort of no man's land, as it might be called—is considerable. Sometimes the United States price is lower and sometimes it is higher than at Winnipeg. On the whole, there has been a very heavy drop in the price in the United States, gradually bringing it down to what it is supposed the price will approximate when the final fixing takes place, and from day to day there are variations for various reasons. I want my hon. friend to understand that the fixation of the prices has made a certainty to the Canadian producer that he would not otherwise have, and it has been, I believe, very beneficial to him. If my hon. friend will read a late editorial in the Grain Growers' Guide, I think he will see what the opinion of people directly interested in the matter is, concerning the operation, as it has proceeded since the 1st of August. My hon. friend says that there is a great deal of dissatisfaction. There may be dissatisfaction.

Mr. OLIVER: I did not say so.

Sir GEORGE FOSTER: There is some dissatisfaction among some, but as a general rule, so far as my information goes,—and I think it is pretty well founded—there is very great satisfaction with the course the Grain Board has taken.

Mr. OLIVER: I ask the minister to have his department compile a statement of the amount that has been lost to the Canadian producer by the prohibition of the export of wheat, since it was made on the 27th of July.

Sir GEORGE FOSTER: I do not know that I would be able to compile such a statement, but if I were able to, and were able to place on the other side a statement of what has been gained by the fixation of

that price, I think my hon. friend would find that the balance would be very much against his present contention.

EMBARGO ON EXPORT OF SULPRUR FROM UNITED STATES.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX: I observe in the press that there is an embargo on sulphur being exported from the United States, which means, according to a letter which I received this morning, the closing of several Canadian pulp mills. Is the Minister of Trade and Commerce taking any steps with the Washington authorities to prevent such a thing happening?

Sir GEORGE FOSTER: There is an embargo placed by the United States against the export of sulphur from United States territory. The supply in the southern states, particularly Louisiana, is restricted. It is needed for the operations of the United States. Not very much is being imported from other countries at the present time, under present transport conditions. Therefore, sulphur has been placed under embargo, but, although placed under embargo, and although none can be exported except by license, the United States authorities are open to consider representations as to our necessities, which representations are being carefully and thoroughly made.

CORRECTION OF NEWSPAPER REPORT.

STATEMENT BY HON. MR. MEIGHEN.

On the Orders of the Day:

Hon. ARTHUR MEIGHEN: Certain press reports of my remarks yesterday attribute to me the statement that the city of Montreal was against conscription. I need scarcely say to the House that I made no such statement. What I said is correctly reported in Hansard at page 5132. I need not quote it. The same report said that I favoured confiscation. It is superfluous for me to deny that.

THE MILITARY VOTERS' ACT, 1917.

FURTHER CONSIDERATION IN COMMITTEE.

The House again in committee on Bill 127, the Military Voters' Bill, 1917.—Hon. Mr. Doherty—Mr. Rainville in the Chair.

Mr. DOHERTY: When the committee rose last evening we had gone over everything included in the Bill with the exception of Form B. As it is proposed to submit an amendment to section 3 of the Bill, that will necessitate an amendment to Form B to correspond with the change.

On form C—Certificate of vote of a civilian:

Mr. MURPHY: What is that intended to cover?

Mr. DOHERTY: There is a provision that if a scrutineer, or other officer connected with the election, should happen to be a civilian, that he is entitled to vote under this Act the same as a soldier, as his duties place him among soldiers, and in that event the fact that he has so voted is being certified to by the officer taking the vote, and this form will appear upon the envelope.

Mr. MURPHY: What cases of that kind might arise?

Mr. DOHERTY: Either of the parties might appoint a civilian as scrutineer, or deputy scrutineer. That man, by reason of his functions, would not be at home to vote, and it was thought fair to extend to him, as well as to any civilian performing duties under this Act, the privilege of voting as though they were soldiers, because that would be the only opportunity he would have to vote.

Mr. PUGSLEY: Why limit the scrutineers? Should you not put in brackets "or the deputy scrutineer or returning officer?"

Mr. DOHERTY: If the hon. gentleman will look at the form, he will see in parenthesis the words "or as the case may be."

Mr. PUGSLEY: That is intended to embrace any others?

Mr. DOHERTY: Yes.

Mr. PUGSLEY: That is broad enough to cover it.

Form C agreed to.

Mr. A. K. MACLEAN: Are certificates of discharge granted by commanding officers, and is a record of them kept at Ottawa?

Mr. DOHERTY: I am not familiar with the details, but I am under the impression that a commanding officer may grant a discharge under certain circumstances. I think, however, that his action has to be approved by higher authorities. A soldier having occasion to obtain a certificate of honourable discharge for the purposes of this Act would be able to procure it from the department here.

Mr. A. K. MACLEAN: Are certificates of discharge granted to men who were attested but who subsequently could not pass the medical examination?

Mr. DOHERTY: There are cases where men who passed the examination afterwards broke down as a result of the strain, or for other reasons, and were discharged on medical grounds. A man does not become a soldier, however, until he has passed his first medical examination.

Mr. CARVELL: I know a good many men who offered to enlist but who were turned down for one reason or another. I understand that such men are furnished with badges showing that they have attempted to enlist but have been rejected for some reason. I was wondering whether that class of men would come under the head of "discharged soldier." Personally I would think not.

Sir ROBERT BORDEN: I would think not.

Mr. CARVELL: They would be ordinary civilians and would exercise the franchise according to the general law.

Sir ROBERT BORDEN: That is my understanding.

On section 2—Definitions:

Mr. DOHERTY: I move:

That section 2 be amended by prefixing to its clauses respectively the letters (a), (b) and (c).

Amendment agreed to.

I move:

That paragraph (a) of section 2 be amended by striking out the words "for containing ballots" in the second line and substituting therefor the words "made of durable material with one lock and key and a slit or narrow opening in the top and so constructed that ballot papers enclosed in envelopes may be introduced therein but cannot be withdrawn therefrom without unlocking it.

In the proposed amendment we describe the receptacle to be used in precisely the words of section 122 of the Dominions Elections Act, which is a description of the ballot box to be used in the elections in Canada. The only difference, if it be a difference, is that we specify that "ballot box" may include a bag or other receptacle.

Mr. CARVELL: In section 11 there is a provision to the effect that the key of this box or bag remains with the general returning officer either in Paris or in London.

Mr. DOHERTY: The receptacle is locked so that the presiding officer who has it cannot open it during all the time that it is in his possession, unless he mutilates it. It may take a slightly larger aperture to put in a ballot that is in an envelope with a certificate on the back of it, but in every other respect this provision conforms absolutely to the requirements of the Dominion Elections Act.

Mr. PUGSLEY: I congratulate the minister upon the sense of reason and justice that has come to him in making the change in this section at the request of members on this side. The same applies to other necessary amendments which have been made to other sections of the Bill.

Mr. MURPHY: Is the amendment providing for some other form of receptacle than the box ordinarily used in Canada based merely on apprehension that the ordinary ballot box would not be suitable, or is it founded on some experience that it is not suitable?

Mr. DOHERTY: Our information is that in the elections that were taken a bag was found more convenient. The member for North Simcoe (Mr. Currie) pointed out that tin boxes would be more difficult of transportation. Even in this country there is no provision that the receptacle shall be a tin box.

Mr. CARVELL: Wooden boxes are largely used in the Maritime Provinces.

Mr. MURPHY: Were the ballot boxes sent over to England when the ballots were forwarded in the spring of 1915?

Mr. DOHERTY: My impression is that they were not. Hon. gentlemen will remember that in this country the ballot boxes are not furnished by the Dominion Government; they are gathered in the different localities as is found convenient. I think they are usually got from the municipalities.

Mr. OLIVER: Is there any provision for a penalty for the supplying of a bag not of durable material?

Sir ROBERT BORDEN: No more than there is with regard to ballot boxes in Canada.

Mr. DOHERTY: There is no provision with regard to that.

Mr. OLIVER: As a great deal depends upon the character of the receptacle, some person should be held responsible for the receptacle being according to the terms of the Bill.

Mr. DOHERTY: The Assistant Clerk of the Crown in Chancery has the supplying of these things, and we put upon him the obligation to supply them of the character prescribed. We do not provide for the imposition of a penalty upon all our officers for not doing all that the law prescribes.

Mr. OLIVER: I beg the minister's pardon. I did not know that provision was contained in the Bill. I am aware that, under ordinary circumstances, ballot boxes are made wherever they are required. I did not know whether or not bags might be supplied in the same way, and in that case my suggestion would be quite in order.

Mr. DOHERTY: They go from the Assistant Clerk of the Crown in Chancery to the presiding officer, and from the presiding officer to the deputy presiding officers.

Amendment agreed to.

Mr. DOHERTY: I said that we would amend the clause so as to include in the term "military elector" persons ordinarily resident in Canada who are on active service in any of the British forces or in any of the forces of our Allies. It will probably be very difficult for us to get at them, but it is thought quite proper that they should be given the right to vote, so that if they find themselves in conditions in which they may exercise it they will have that right. In the first place, there is a little amendment to meet what was pointed out by the hon. member for St. James (Mr. L. A. Lapointe). I beg to move:

That paragraph (c) of section 2 be amended by inserting at the end of the fifth line thereof the words "and placed on."

That is to meet the suggestion that everybody called out under the Military Service Act might have a vote although he never became a soldier. He could not have a vote as a soldier unless he was placed on active service.

Mr. CARVELL: Under the terms of the Military Service Act, the moment the proclamation is made, the men are called out, but if a man were not actually placed upon the list, he would not be a military voter.

Mr. MURPHY: The term "military elector" includes a minor or an Indian. Does the word "Indian" mean a native of India?

Mr. DOHERTY: We do not so understand it. In this country the word "Indian" has a perfectly accepted and known meaning. We do not mean an Indian in the sense of a native of India; we mean an Indian as we know him in this country and as we have him amongst our troops.

Mr. MURPHY: A Canadian Indian. I have some doubt as to the interpretation and application of that word "Indian." Suppose a Hindu, who was a British subject and who may have been living in British Columbia, applied for a vote and claimed the right to vote under that definition, would he be allowed to vote?

Mr. DOHERTY: I do not think there is any reason to doubt that, even if we did not have the word "Indian" in the Bill, the Hindu, a British subject and a member of the Canadian Expeditionary Force, would have a vote. We put that word in only to settle a doubt. Personally, I believe, if we struck that word out, an Indian in our forces would have the right to vote. I always so understood the old Act although we did not mention it. In some quarters there seems to have been a doubt, because in our Dominion Elections Act we exclude Indians.

Amendment agreed to.

Mr. DOHERTY: I beg further to amend paragraph (c) by adding at the end thereof the following words:

And every person, male or female, being a British subject ordinarily resident in Canada, whether or not a minor or an Indian, is on active service in Europe in any other of the forces or services, military or naval, of His Majesty or of his Allies.

This will cover our man in the British forces, any French reservist, for instance, who was a British subject and went to serve in the French forces, any person ordinarily resident in Canada who is serving in any of the Allied forces.

Mr. OLIVER: Is there a provision for the imposition of a penalty upon a member of the Allied forces, but not a resident of Canada, who offered his vote under pretence of being entitled to it under this provision?

Mr. DOHERTY: There is no special provision for such an act upon his part. I think the general provisions of the Dominion Elections Act about impersonation and so forth would apply. We are making this a part of the Dominion Elections Act, and this operation differs from the general operation in so far as is provided here. We would not be able to enforce such penalties because we have not jurisdiction to convict men of offences committed outside of Canada; but to the extent that our jurisdiction goes, the provisions under Part 3 of the Act with regard to offences would

no doubt apply to the like offences committed under this Act.

Mr. OLIVER: Is it a fact that there is neither let nor hindrance to the possibility of such an occurrence as I have suggested? That is hardly, I should think, the intent of this measure.

Mr. DOHERTY: It is required that a man should make oath to the facts that entitle him to vote, and, of course, if he makes false oath, the man undoubtedly has committed perjury. But what is inevitable and what we cannot prevent is the fact that our criminal laws do not run in France nor in England, so that we have, with regard to those oaths, to rely upon the moral sense of the voter and upon the precaution of the officer taking the vote to see, as far as possible, that he is not being deceived.

Mr. OLIVER: The officer taking the vote could not by any possibility be held responsible for the acceptance of the oath of a man who was not entitled to make that oath. While it is true that we have no means of protecting ourselves by proceedings under the Criminal Code, I respectfully suggest that we should not leave ourselves entirely unprotected in such a case, and unless already provided for, I would suggest that provision be made that on proof of any such vote having been given, it can be counted out. We surely should not leave ourselves open to the possibility of a number of votes being illegally cast without our being able to protect ourselves against the result.

Mr. DOHERTY: On a scrutiny of votes, the vote of a non-elector under this part would be struck out, just as would the vote of a non-elector under any other part. We do not need any special provision about a scrutiny of votes. If there be a scrutiny, and it is ascertained that a vote has been illegally cast, it could be thrown out under proper proceedings.

Mr. OLIVER: Under some other provision of this Act?

Mr. DOHERTY: Under the provisions of the Controverted Elections Act, I think. Upon a contestation of an election, if the ground of contestation was that the candidate had been returned because of a large number of votes by people who were disqualified, the vote of a person disqualified under this Act would be treated in precisely the same manner as the vote of any other disqualified person. At the moment I am not prepared to define exactly what the procedure is, but whatever it may be, there will be the same protection with regard to this disqualification as with regard to any other.

Amendment agreed to.

Mr. PUGSLEY: I beg to move, seconded by the hon. member for Welland, that section 2 be amended by striking out the words "whether or not" immediately before the words "ordinarily resident" in line 22 of page 1. This brings up the question which was discussed a day or two ago, whether or not a man should be allowed to vote who has not been a resident of Canada. I think myself that the mere fact that a resident of the United States or the West Indies or India, China or Japan who happens to be a British citizen enlists in the Canadian Expeditionary Force, should not give him the right to vote at any election for a member of this Parliament. Such a man joins the Canadian Expeditionary Force for the purpose of fighting for the Empire. He may never have been in Canada at all. He may know nothing whatever of the political questions which are dividing the Canadian people. He would not expect the right—and I do not think it is desirable to give him the right—to take part in the civil affairs of this country. Upon what theory shall he be permitted to say who shall govern this country, not merely during the war, but for the next five years? I cannot for the life of me see any reason why the right of franchise should not be limited to those who are ordinarily residents of Canada. I entertain that view very strongly. I think no reason can be urged for keeping these words in the section, which give the man who was not ordinarily resident in Canada before his enlistment the right to vote.

The section becomes more objectionable when we come to consider section 3, because both these sections must be considered together. If the section passes as it is, the result will be that a man who has never been a resident of Canada, who has perhaps never set foot on Canadian soil, will have the right not merely to vote, but to select any one of the two hundred and thirty constituencies in Canada in which to cast his vote. That is giving him a far greater freedom that you are giving to the Canadian boy who is serving at the front. The Canadian boy at the front can only vote in the constituency where he belongs. His right to vote is limited to one candidate in one constituency—the candidate who is running in the constituency where the soldier formerly resided. But the foreigner—I use the term in the sense of a non-Can-

adian, a non-resident of Canada—the man who may never have set foot in Canada, who has no interest in the civil government of this country, and may know nothing of the questions which divide the Canadian people, is allowed to select his constituency in any part of Canada. Let me appeal to the committee to consider for a moment what the result of that will be. I am told that in the Canadian expeditionary forces there are several thousands of British subjects who have never been residents of Canada, and there may be more before the election. In many constituencies in this Dominion where the vote is very close, where either the Liberals or the Conservatives are in a slight majority, these non-residents of Canada, by making certain combinations, could practically turn the election, and in that way defeat and nullify the votes of the Canadian soldiers. Is that right? Is it a proper thing to do? On what principle can such a course be justified? One needs only to state the case, it seems to me, to show the argument against it. I do not want to take up the time of the House in discussing this matter further, but it does seem to me that the Government ought to consent to the striking out of these words. Every member of his House and every man in this country wants to provide by law that the Canadian man or woman who has gone to the front shall have the right to vote. Every one is desirous that the mere fact of a Canadian citizen being overseas shall not deprive him of his civil right, and surely, when we by law provide for that, we have gone as far as the Canadian soldier would desire us to go. I cannot conceive for a single moment that the resident of Canada, the Canadian boy who has gone to the front, would be desirous that that civil right—that right of expressing an opinion by his vote as to the government of the country during the next five years—shall also be conferred upon people who have never lived in Canada, who may know nothing about Canada, and who have no real interest in the civil government of this country.

Mr. GERMAN: I feel that the section as at present constituted is an outrage on the civil rights of the people of Canada. It is moreover an outrage on the soldier electors, who are fighting the battles of Canada in the trenches. By whom will the designations be made of the constituencies to which these votes shall apply? We are deliberately saying that men who have never lived in Canada, and who have no interest in Canada in any way whatever, and who very likely never will live in Canada and never have any interest in it, shall have the same right to vote, simply because they are fighting for the British Empire and in the cause of the Allies, as our own sons who have gone from home to fight the battles of their native land. Those men have no residence in Canada; they do not know anything about the political situation here. If they are asked to designate for whom they wish to vote, they can say "I vote for the Government" or "I vote for the Opposition." When they are asked "In what constituency in Canada do you want your vote recorded," they will say "I don't know." And as a matter of fact they do not know anything about the constituencies. Who will designate the constituency in which such a vote shall be recorded? Who is the only man likely to designate the constituency? Is it not as certain as it is that the vote is to be polled that the person who will designate the constituency will be the deputy returning officer or the poll clerk in charge of the poll? I submit to the House that this is what will be done. Now, assuming it would be done, to what constituency would that vote be assigned? In the Dominion of Canada we have over 100 constituencies in which the majorities range within less than 100 votes. The difference between the two political parties in this House at the last general election was forty-five members. How easy it will be to find fifty constituencies in the Dominion of Canada in which the majority for one candidate or the other would be much less than 100, and probably less than fifty. The deputy returning officer in charge of that poll will know these constituencies as well as we know them. That being so, to what constituency is he likely to assign those votes, assuming him to be a hard-and-fast partisan who would do such a thing? In passing legislation of this kind we must assume the worst that can occur, and taking into consideration all that could happen, could not the deputy returning officer easily pick out fifty or sixty of those so-called foreign votes or non-resident votes, and assign 50, or 60, or 70, or 80 or 100, to make it certain, to each of the close constituencies, and carry the election by that vote? I submit to any reasonable man in this House that this could be done, and the danger and temptation of its being done is what we wish to avoid. It is our duty in legislating to give our sons and our relatives who are fighting the battles of the British Empire in the trenches

of France the protection they demand, and see to it that their votes are not killed by the votes of men who have no earthly interest in Canada, and who very likely will never have any interest in the country. It is a most outrageous thing that this Government should deliberately say that men coming from the United States, or from India, or Australia, or New Zealand, or Japan, or Russia, or any other place on God's green earth, simply because they happen to be British subjects and joined the Canadian forces to fight the battles of the Empire, should have the right to vote, and thereby possibly kill the votes of our own sons who are giving their life's blood in the trenches. I am sure the Minister of Justice will admit that what I say can easily be done. The deputy returning officer, knowing the close constituencies, has in the hollow of his hand 3,000 or 4,000 voters who have no local designation in Canada and who do not know where to assign their votes, and he can assign these votes as he sees fit. It does not make any difference to the men whether their votes are assigned to the county of Welland, or the county of Russell, or the Yukon territory, or British Columbia, or anywhere else. If they believe in this Government they say they want to record a vote for the Government, and that is done. If they disbelieve in the Government, they say they want to record a vote against the Government, and they do so. But they do not know where that vote will be assigned, or what constituency will derive the benefit of it. Who is to tell them? No one but the deputy returning officer in charge of the poll. I think it is the duty of this House to amend the clause by striking out the words "whether or not" so that it would read: "Who being a British subject ordinarily resident in Canada." Residential manhood suffrage is the franchise of Canada, and it is the only franchise, except what we are now giving. We are now granting the franchise to minors and men who would not be entitled to vote were it not for the fact that they are going to the front as brave citizens of Canada and of the Empire to fight our battles. Why extend this franchise to men who have never lived here? It is an outrage on the civil rights of the people of the country, and if the Government insists on this clause going through as it is, I, for one, cannot help but think it is the intention, or the expectation at any rate, that these votes will be used in the very manner in which I say they can be used.

4 p.m.

[Mr. German.]

Mr. MIDDLEBRO: I cannot listen to a proposition of the nature put forward by the hon. member for St. John (Mr. Pugsley) without raising my protest. I make the statement that a man who is a British subject and who has left this country and gone, say, to the United States, therefore, has not the same material interest in this country as a man who lives here, but who has sufficient manliness in him, sufficient respect and love for this country, to abandon his ordinary vocation in life and come across to this land and say: I am going to enlist, and, if necessary, sacrifice my life on behalf of the country of my birth—I say that, in some respects, that man is even more entitled to a vote than the man who enlists here in our midst. I know men living on the American side, who, when this war was declared, gave up lucrative positions and came back to this country and enlisted, donned the uniform, took the oath of allegiance, and who are now across the seas, fighting the battles of this country around Lens as valiantly and as much in the interests of this country as any Canadian. Will you tell me that the men fighting around Lens who lived in this country when they enlisted will not take that man by the hand and say: Good old boy, you have done your duty, you are one of us, and as much entitled to a vote.

Mr. EDWARDS: And more, too.

Mr. MIDDLEBRO: And I say it is in the interest of the people of this country to give them a vote. I know a man of that kind, a married man, who left his wife and family on the other side, who came back here and enlisted and is overseas now. Is there a man who will say he is not as much entitled to the vote as any man in this House? I go further and say that that man, having taken his life in his hands, is more entitled to the franchise in this country than I am, sitting here as a member of Parliament, because he is willing to make the supreme sacrifice which I myself have not made, or have not offered to make, even if I could. I say it is an insult to this House to introduce a resolution of that kind and say that these men are not entitled to vote. Have not members opposite exactly the same opportunity of getting their votes as members on this side? The whole resolution is based upon the assumption that the men who have charge of these ballot boxes are going to commit acts of fraud, that they are going to endeavour to make these men, these British subjects, who have come from other countries to fight

for us cast their ballots in a certain riding, and in a certain way. The whole amendment is based on the imputation that the men who conduct the election over there, who are to have charge of the ballot boxes, the scrutineers, the deputy presiding officer, the presiding officers, will conduct the election on principles of fraud, and not upon principles of honesty, justice and fair play. When a man goes over there and takes his life in his hand he is not thinking of the little picayune, petty, peanut, party politics that some members of this House are thinking of here to-day. He has greater things and larger visions in his mind, and petty things of that kind are foreign to his thoughts.

Mr. ARTHURS: In the earlier stages of the war no doubt quite a number of men from foreign countries who were British subjects came over to enlist and many of them are still with our troops. Another element came into this country at the same time, and while gentlemen opposite are very insistent that the men who came over to fight for Canada and who are fighting for her to-day, whose interests are in many cases as great as those of other electors in Canada, should not be allowed to vote, they do not say anything about the men who came over at the same time from the United States or from foreign countries to take the places in the factories of Canada of the men who went overseas to fight for us, the true Canadians. They have the necessary residence of one year, if they are British subjects. But there is not a word said about their voting, and the fact is that it is upon these men that these gentlemen opposite are relying in the coming election. I hold in my hand an interview given by—

Mr. GERMAN: I call my hon. friend's attention to the fact that one year does not give foreigners—

Mr. ARTHURS: I did not say foreigner, I said a British subject from a foreign country.

Mr. GERMAN: He has to be here three years.

Mr. ARTHURS: A British subject coming to Ontario can vote in one year. British subjects coming here under exactly similar circumstances but for the purpose of fighting for Canada, are to be denied the right to vote, according to hon. gentlemen opposite, but these men who were brought here from other countries to take positions in munitions factories, to take the places of the boys who have gone to fight, are to have the right to vote. I have an interview given in Toronto by a prominent Liberal candidate in which he says:

> An entirely different situation will occur in the riding at the coming election. In the first place, the electorate is over one-third French Canadian. Then the political situation has been changed greatly by the coming of foreign element in the 3,000 employees of one factory. I am a straight Liberal, a supporter of Laurier and under other conditions might consider the fight a losing one before I started, but not so now.

That is quite evident, and shows plainly what these men are looking for. They do not want to give votes to the men who have gone overseas to fight for Canada, British subjects coming from a foreign country, but they are quite willing to allow the vote to the man who comes over here to take the British boy's place, and to work for $5 or $6 a day while the other man gets $1.10. That is the size of the whole matter.

Mr. EDWARDS: I do not think that some hon. gentlemen opposite are as anxious to give the vote to our Canadian soldiers over at the front, because perhaps they are apprehensive of that vote, as they are to give the vote to some of the foreign element in their own constituencies. I can understand the hon. member for St. John (Mr. Pugsley) moving a resolution of this kind. It is in keeping with his whole course in this House since the debate started, in fact since the conscription Bill was brought in. He has opposed most consistently any assistance to our boys overseas. He has not done his part as a citizen of Canada, apart altogether from his duty as a representative in this House, in trying to get recruits in this country. Let me ask you, Mr. Chairman, which will have the better right to cast his vote in this election, the man who came from the United States, we will say, into Canada, a British subject, who signed up and went overseas and is now risking his life in the defence of this country, or a young man who, in the fall of 1914, when we none of us knew how long this war was going to last, took out his commission as a lieutenant down in the city of St. John, and when the war showed that things were not going to be ended in a short time and the risk was great, took off his uniform, after drawing some pay, and preferred to run a garage in the city of St. John rather than go overseas and fight.

Some hon. MEMBERS: What is his name?

Mr. EDWARDS: The name will be found in the Militia Gazette, that little red book

containing the names of persons who took out commissions, and his name is Pugsley. Lieutenant J. A. Pugsley took out his commission as a lieutenant in November, 1914.

Mr. PUGSLEY: I desire to say that the statements made by my hon. friend are absolutely false. I desire to say too, Sir, that it is a cowardly thing to attack a young man behind his back who is not here to speak for himself.

Mr. R. B. BENNETT: What about General Gwatkin?

Mr. PUGSLEY: Cowardly—

Mr. EDWARDS: I ask your ruling, Mr. Chairman, on that statement or remark of the hon. member for St. John, and ask that it be withdrawn. He said that a statement which I made was false.

Mr. PUGSLEY: Yes, I repeat it.

Mr. EDWARDS: I ask that statement be withdrawn, and I ask a ruling from the Chair.

The CHAIRMAN: The hon. gentleman from St. John said that the statement was false. I think, under the rules, he could say that the statement was false. It was the statement that he said was false, and nothing else.

Mr. PUGSLEY: Hear, hear.

Mr. EDWARDS: Mr. Chairman, may I also ask you in regard to the word "coward"? Is that also in order?

The CHAIRMAN: As to the other words complained of, the hon. member for St. John used the expression "a cowardly attack." The word "coward" was applied to the attack, and not to the hon. member who was speaking.

Mr. EDWARDS: I understand, Mr. Chairman, that your ruling is that the words are permissible.

Mr. LEMIEUX: Hear, hear.

Mr. EDWARDS: Then, Mr. Chairman, I want to tell you, and to tell this House, that the hon. member for St. John, an old member of this House, stood up in his place in this House and made statements that were absolutely false and were cowardly in the extreme.

Some hon. MEMBERS: Hear, hear.

Mr. EDWARDS: And, Mr. Chairman, I want to tell you, still further, that I am in a different position in making that assertion, from the position of the hon. member for St. John, because I am in a position to prove that his statement was false, and he cannot prove that my statement was false.

Mr. PUGSLEY: I desire to repeat again, Sir, that the statement was absolutely false, and that it is an absolutely cowardly attack—to attack a young man who is not here to defend himself.

Some hon. MEMBERS: Hear, hear.

Mr. PUGSLEY: Put that in your pipe and smoke it.

Mr. EDWARDS: I am not smoking just at present. I think the fumes are rising from the hon. gentleman from St. John. He is the one who is smoking, and he is the one who is uncomfortable just at present.

Mr. PUGSLEY: I am perfectly comfortable.

The CHAIRMAN: With reference to the words " put that in your pipe and smoke it"—

Mr. PUGSLEY: I beg respectfully to withdraw that remark.

Mr. EDWARDS: I may say that I think the hon. gentleman from St. John will do a kind of smoking other than his pipe, if he does not mend his ways. At page 674 of the militita list, at the top of the page I find—

62nd Regiment, St. John, N.B., Lieutenant J. A. Pugsley, 17th November, 1914.

May I ask the hon. member for St. John whether the J. A. Pugsley referred to there is his son or not?

Mr. PUGSLEY: After the statement of the hon. gentleman, Sir, I would decline to have any intercourse with him. I desire to repeat, that the hon. gentleman did not merely confine his statement to the fact that that young man had a commission, his statement went further. He made a statement which I declare to be absolutely false. I repeat it and can prove it any time.

Mr. EDWARDS: I am more than borne out by the attitude of the hon. member for St. John. He puts himself in the position here this afternoon of absolutely disowning his own son. The only statement I made in reference to the hon. gentleman's son was this: It was in the form of a question of whether or not a man, a British subject, who had resided for some years in the United States, came over here to Canada, put on the uniform, kept the uniform on, went over and risked his life

in the trenches, was not more entitled to a vote than the man who put it on for a brief space of time, and then took his uniform off, and now runs a garage in St. John, instead of running a machine gun at the front. Why should the hon. gentleman from St. John object to that? It is a simple question. The hon. gentleman is moving an amendment to cut out men who have gone over to risk their lives for Canada. He has said that they should not be allowed to cast a ballot in the election to say who should govern this country for the next five years. I take issue with him, and I say that they should vote, that those men are entitled to every consideration. Let me say further that those men who have gone over there are not the unintelligent men the member for Welland would like us to believe. They have shown that they possess the right spirit, and I venture to say that these men who thought enough of Canada to leave the United States, come here and don the uniform and risk their lives, know what is going on in this country. Exception is taken on one point. These gentlemen opposite ask where will their votes be recorded? I confess if I were one of those men, and if I were aware of what is going on in this House, and aware of the attitude of the hon. member for St. John, or the hon. member for Welland, and had my choice and could say where my ballot could be counted, I would say; " Count it in St. John, and count it against the hon. member for St. John; he has shown he does not want to back us up, and does not want to help the boys in the trenches; let me get a crack at him, as well as at the Huns in Europe; let me get a crack at the Huns in Canada or at some of those playing the Huns game in Canada; those are the men I am after." It would be an act of retributive justice if some of those men had an opportunity to cast their ballots in St. John, in order to leave at home in St. John the member who has disgraced the city of St. John by this attitude in this House.

Mr. PUGSLEY: There are some members of this House that so far forget themselves, and forget those gentlemenly instincts which ought to govern all members of this Parliament, that any man who respects himself would scarcely deem it proper to reply to any observation that these members may make. I should not say some members of this House. I think I should have said " one " member. We have in this House one gentleman who has shown himself, on many and many occasions, unworthy of the respect of any man, either in this House or outside of it. My hon. friend from Frontenac knows—his inner consciousness will tell him—to whom I refer. That hon. gentleman has stated that I have disgraced my position as a representative of the constituency of St. John. He says I have given no support to our boys at the front. I do not know the age of the hon. gentleman who has made that statement. I do not know whether it would have been possible for him to have gone to the front, but I am beyond the years when I could go and fight for my country, and the most those who are beyond the age limit can do is to contribute of their means towards assisting our country in the great struggle in which it is engaged. I have made no boast, Sir, of what I have done, but I am willing that my record as to the assistance which I have given, compared with the means that I have, be placed side by side with that of any other man in this House, or any other man in this country. I say that I have not boasted, from the public platform, or from my seat in this House, of what I have done; but those in my home city who know me know that, in respect of my relatives who have gone to the front and in respect of men who have been in my employ, I have done my part cheerfully and to the best of my ability. I can appeal to my conscience to justify the assertion that I have done everything possible for me to do; everything that the most patriotic citizen would have felt bound to do. That is all I have to say in reply to the remarks of my hon. friend.

Mr. EDWARDS: By making some reference to my remarks, the member for St. John himself answers the question whether they were entitled to any reply from a gentleman who respected himself. We must conclude that he is in the category of those who do not respect themselves; otherwise my remarks must, in his estimation, be worthy of some consideration on his part. I also am above the age limit for military service. I have never been connected with the militia in any shape or form. I have never been a fighting man; I have always been a man of peace; every person who knows me knows that that is true. This is the first time that I have ever made reference to the fact that my only son is to-day flying over the lines in France, risking his life every minute. I stand here as one interested in that boy and in others who are over there. I am confident that those who are to-day risking

their lives on the other side would, if they had opportunity of doing so, say that the right to vote should be given to those who, my hon. friend says, should not have that right. There would be no dissenting voice; there would be no difference of opinion; every soldier over there, whether in the infantry, artillery, or flying squadrons, would say: give the ballot to every man who has put on the Canadian uniform and come over here to help us fight in this great cause. I am willing to place my record alongside the record of the member for St. John at any time and at any place before the people of this country—and I think I can make the suggestion with better grace than my hon. friend can. Moreover, I will place the record of my son against the record of his son; we will make it a family record, if my hon. friend is willing, and we shall see which the country will approve.

Sir SAM HUGHES: I have not taken part in this discussion; any suggestions that I had to make I made privately to the Minister of Justice. But I take this opportunity of pointing out that in all ages naturalization laws have been overridden by the mere fact that a man dons the uniform and fights in the service of a country. That constitutes citizenship, and the rule should apply in all lands. I am more than delighted that the minister is making it the rule in this case. British subjects coming from overseas and enlisting here and foreign subjects serving with the Canadian forces should have the right to cast their ballots as Canadian citizens, in view of the work that they are doing in this great war. At the beginning of the war it was regarded as out of place to give the soldiers votes. I happened to be in England at the time Sir Richard McBride was trying to get the British Columbia soldiers the right to vote in the provincial elections. One evening I met him at dinner in company with Mr. Lloyd George, Mr. Bonar Law and others. The conversation turned to voting, and these gentlemen said that they could not see their way clear to give the British Columbia soldiers the vote. I asked them what they had to do with giving the British Columbia soldiers the right to vote. I took the ground that they had neither right, title nor interest in the matter; that the Government of Canada should say whether or not Canadian soldiers should have the right to vote. I pointed out further that it was unfair that the men at the front should be deprived of the right to vote while the men at home—some who could not go; many who could—would have that right. According to the old Anglo-Saxon English law, the man who becomes a soldier loses no rights of citizenship. The Canadian citizen who dons a uniform, goes to the front and is deprived of his vote has a charge of ingratitude against the country that it would be hard to refute. However, the matter was looked into on the other side and the principle was adopted that the men who don the uniform lose no rights of citizenship. On the morning following the occasion to which I refer, Sir Richard McBride was notified by the British Government that there was no objection whatever to the votes of the British Columbia soldiers being taken. Accordingly, the men were given a chance to vote, although only a few of them could be reached. I repeat that any man of any nationality who joins the ranks of the Canadian soldiers and fights in this war is entitled to cast a ballot in the coming election. I have run a good many elections and I have rarely challenged a vote. I always take it for granted that a fellow who is sixteen or eighteen years of age knows pretty well how to vote and how to conduct himself without any paternalism on the part of returning officers or politicians of any stripe. I remember one polling subdivision where my opponent had seven different officers—scrutineers, poll clerks and all that sort of thing—and I had not any, not even a constable or a scrutineer. When the count was made it was found that every ballot in the box was in my favour. These ballots included those of the poll clerk, the returning officer, the constable and the scrutineer.

An hon. MEMBER: How did you do it?

Sir SAM HUGHES: I let them exercise the conscience that the Lord gave them; that is how I did it. The agent of my opponent questioned these gentlemen. He said: Didn't I appoint you to act as scrutineer? Yes, replied the gentleman in question; I acted as scrutineer, but there was nothing to scrutinize. Then he questioned the polling clerk: Did I not ask you to act as poll clerk on the understanding that you would vote for our candidate? Oh, no; I did not have to vote any particular way; I was to act as poll clerk, and I have performed that duty. They thought that because these fellows got $5 or $10 on that occasion they would hand over their consciences and their votes. That is not the way the boys are trained in the district

that I have the honour to represent. I could mention various other instances along the same line.

A good deal has been said about whether those of foreign nationality should vote. In the year 1914 I asked the British Government, through Lord Kitchener, to enrol a dozen brigades of German Britishers and put them in the firing line. It was my privilege to enrol the first body of Boers in South Africa—men who had been fighting against us up to a short time previously, but, who having found that they were in the wrong, expressed themselves as willing to fight in the right cause.

They were splendid fellows, and I had the privilege of meeting some of them in England the year before last. Had the British authorities enrolled a body of Germans who would fight for liberty as against the tyranny of Germany, this war would have been ended long ago, because the spirit would have spread until we would have had the free-born, freedom-loving people of Germany standing shoulder to shoulder with us in this great cause. The German settlements in Canada have done splendid work in this war. I saw the other day that the little town of Zurich had sent 20 men of German extraction to this war, and that a number of them had fallen. Thirty or forty boys of German descent fell on our side at the battle of St. Julien. The intelligence officer of the First Division, one of the finest soldiers in the service, is the son of a German officer, and his mother has several brothers in the German service, but no more true, steadfast soldier exists than that lad. These people are not machine politicians, and my idea is to let those boys go to the polls. They have earned the right by becoming British soldiers, and 999 out of every 1,000 of those boys need no scrutineer, no returning officer, no polling clerk to tell them how to vote. They will vote according to the dictates of their consciences; they will vote for whatever candidate they choose, and no man would tell them to change their vote this way or that way. They will exercise their own judgment.

Mr. OLIVER: When this Bill was first under discussion, I understood the Minister of Justice to agree with my definition of the object to be attained under it, namely, to ensure that no Canadian citizen should be deprived of his vote by reason of his being a soldier. As I take it, the section, as it is drawn, provides that those who are not Canadian citizens shall be entitled to vote because they are soldiers. That contention receives a good deal of support. I do not, however, follow the reasoning that is given in support of it. If it be a fact that, because a man dons the Canadian uniform and fights in the Canadian ranks, therefore, he is entitled to have a share in the control of the domestic affairs of Canada, I do not see why our soldiers, who are fighting in France or in Belgium, or who are in England preparing to fight, should not have just the same right to a share in the control of the domestic affairs of France, Belgium or England. It is a poor rule that will not work both ways, and if citizens of those countries who happen to be in the Canadian forces are entitled to share in the direction of the domestic affairs of Canada, surely the rule should work the same in the other direction, and our soldiers should have a right to interfere in the domestic affairs of France, Belgium, or England. Nobody will contend that this latter suggestion is feasible, or workable, or even right, and I contend that the suggestion, that any person who chooses to join the Canadian army to fight in a cause that is not more Canada's than it is that of France, or Belgium, or England, should have a right to share in the control of the domestic affairs of Canada, is not sound reasoning.

Sir SAM HUGHES: Is the hon. member aware that a Canadian serving in this war in France under the French Government, wearing the uniform of a French soldier, has a vote in France? I should think he would have a vote, and I believe he has.

Mr. OLIVER: I do not know as regards a Canadian serving in the French army, but my contention is, following the contention of hon. gentlemen who have spoken, that inasmuch as Canadians are in France fighting for France, or are in Belgium fighting for Belgium, or are in England preparing to fight for England, they certainly should have the same right to share in the direction of the domestic affairs of France, Belgium, or England, as all those other men, citizens, we shall say, of the United States are to share in the domestic affairs of Canada, because they are fighting, as my hon. friend says, for Canada.

Sir SAM HUGHES: Are not all these men fighting for human liberty?

Mr. OLIVER: Certainly.

Sir SAM HUGHES: They are not fighting for France, England, or Belgium; they are fighting for human liberty.

Mr. OLIVER: They are fighting for France, Belgium, or England, just as much as they are fighting for human liberty.

Sir SAM HUGHES: They are fighting as Canadians.

Mr. OLIVER: They are fighting for human liberty just as our Canadian soldiers are fighting for human liberty. Our Canadian soldiers are in France fighting for France. No one will argue that they are not doing that. It is for France that they are fighting, although, of course, they are fighting for human liberty. We do not, however, insist that those soldiers of ours should have a share in the control of the domestic affairs of France because they fighting for human liberty in France. Then, why should we say that men who have citizenship in the United States or some other country, either concerned in the war or not concerned in the war, should have the right to a share in the direction and control of our domestic affairs, because they are fighting for human liberty in France, or Belgium, or England? The logic of our hon. friends opposite is absolutely at fault.

It is not, however, on that point that I would take exception to the Bill as it stands; it is on this point, that when we include in our citizenship and within our voting rights, those men who have no local habitation in Canada, we thereby place in the hands and in the control of the Government of the day the direction, in large measure, of the votes of those men, naturally, to the very great benefit and advantage of those in whose hands that direction and control for the time being happens to be. I suggest that that accounts, in large measure, for the unbounded enthusiasm with which the proposal is supported by my hon. friends opposite, who have that much of a leverage and advantage over their opponents in any election that may take place. It is not because of the first proposition that I object to this measure, but it is because of the second proposition. I do not so much object to those men voting, because, after all, there is a great deal to be said in favour of the men voting who have identified themselves with our country to the extent of fighting alongside of our soldiers; but when in order to give them what is claimed for them as their right, we thereby place in fact in large measure the direction of this large number of votes in the hands of the Government of the day and its friends for the benefit of themselves and their friends, that is a negation of everything that properly belongs to a free franchise in a free country. It is for that reason I find it necessary to support the amendment of my hon. friend.

Mr. MORPHY: I listened carefully to many of the hon. members on the other side of the House who have spoken upon this subject and I was struck with the great trepidation and fear that they showed as to the enlargement of the class of voters. I wondered whether or not these hon. gentlemen opposite are afraid of the soldiers' vote.

Mr. OLIVER: We are afraid of the Government count.

Mr. R. B. BENNETT: You have control of it by the amendment.

Mr. MORPHY: The remark of the hon. gentleman shows that he does not know what he is frightened of. He has no justification whatever for any such remark. To my mind, one of the cardinal principles that should actuate any civilized people is the extension, rather than the restriction, of the franchise. I notice that some hon. gentlemen on the other side remained silent and did not share in the views propounded by my hon. friend from St. John, who voted against compulsory military service, though he says in this House that he has done everything to help the boys at the front. A man's actions best show what inspires him, and how his remarks should be construed.

Mr. OLIVER: My hon. friend voted for compulsory service. How much has he done to help our boys at the front?

Mr. R. B. BENNETT: Unfortunately, his son died, the same as yours.

Mr. MORPHY: I do not wish to enter into a discussion of my own personal attitude.

Mr. OLIVER: I mean, how much did the hon. member help the boys at the front by his vote in the House for compulsory service?

Mr. MORPHY: The hon. gentleman says he knows what he means, but I do not, and I will leave it to the House to judge what he means. I do not wish to put forward here anything that I have done towards assisting the boys at the front, because I do not think it is anything par-

ticular to boast about. All I feel sorry for is that I have not done as much as I think I should have done, although I have done what I reasonably could, in view of the opportunities presented. Some hon. gentlemen opposite, if I may say so without malice, who boast with a good deal of effrontery of what they have done in aid of the boys at the front—and those whom the cap fits can put it on—have blocked and questioned every move that has been made to assist the boys at the front, and engendered suspicion, thereby retarding the efforts of the Government. Some of these gentlemen are frittering away the time of this House in practically obstructive tactics. They say that the Government has mismanaged the war, has made a bungle of it.

Mr. PUGSLEY: They have.

Mr. MORPHY: The hon. member for Moosejaw (Mr. Knowles) the other night, in telling how the Government had mismanaged the war, spoke of the horse scandals. When one remembers that no less than 65,000 horses were bought by this Government at a cost of nearly $9,000,000, and shipped overseas in one year, of which 44,000 were for France and England, and that the scandal amounted to five horses which were surreptitiously passed off at Valcartier, the horse scandal is not worth mentioning in this House. The people are not concerned about that, but they are concerned about the fact that the boys at the front need reinforcements, and need them badly, and are crying for them.

The Government has mismanaged the war, they say. Who is a better judge of that than the soldier? Why should not the soldier vote upon that question? Who knows more about conditions at the front than the soldier in the Canadian expeditionary force, no matter whence he comes? I should think hon. gentlemen opposite would praise the soldier. This Bill does not go as far as the hon. member for Edmonton alleged. It does not presume to give the vote to a foreigner, just because he is in the Canadian expeditionary force, but it is giving the vote to those British subjects, no matter where they came from, who have joined the Canadian forces to fight for Canada and the Empire. Does not the man, no matter where he comes from, who becomes a member of the Canadian expeditionary force, earn his right to citizenship? On what higher plane, I ask the hon. member for Edmonton and the hon. member for St. John could citizenship be put in this great time of stress and trial, when the very foundations of the Empire are being shaken? Do not we welcome the British subject from the United States or any other place who joins the Canadian forces? In what does patriotism consist? It is all right for the hon. member for St. John to boast of his loyalty. No one disputes his loyalty. But I do dispute his patriotism, and there is a great distinction between loyalty and patriotism.

Mr. PUGSLEY: I rise to a point of order. I did not boast of my loyalty at all. I do not think any man should do that.

Mr. MORPHY: Then I withdraw the statement that the hon. gentleman ever claimed to be loyal.

Mr. PUGSLEY: I do not think it is necessary in this House, or anywhere else in this country, to boast of your loyalty.

Mr. MORPHY: There is a difference between loyalty and patriotism. Loyalty is a sentiment, a feeling of love for one's country. A man may sing "We'll never let the old flag fall" for a thousand years, and be ever so loyal, but he would not be patriotic unless he did something to show his loyalty and to keep the old flag flying. Patriotism is loyalty in action—the doing of something. This Government has certainly been patriotic. Day in and day out they have had but a single purpose in all their war measures, the purpose of solidifying and concentrating the energies of this nation upon the great task before us, and when the boys in the trenches were calling, calling, and calling for more help in tones that could not be forgotten, the hon. member for St. John stood up and voted against the only Bill ever presented in this House to give the boys in the trenches the aid they required. It is by that I judge his patriotism, even if he does not claim to be loyal.

Mr. PUGSLEY: I must correct the hon. gentleman. It is too much the habit of hon. gentlemen opposite to try and throw discredit on members on this side of the House. I did not say that I did not claim to be loyal. What I said was that I did not boast of my loyalty.

Mr. MORPHY: I think the hon. gentleman has very good ground for not boasting of it.

With regard to the remarks of the hon. member for Edmonton, there is a great distinction to be drawn in connection with the argument he makes as to soldiers of this country voting to affect the internal

policy of France or Belgium. If a Canadian soldier was fighting in the army of France or Belgium they should give him the vote, whether this Government gave him a vote or not. We are asking that men of British blood who happen for the time being to be living outside of this country, who have been moved by their patriotic spirit to enroll with the Canadian forces, get their kits, go into training, and go to the front and die, who under our law can take advantage of the Patriotic Fund, and the separation allowance, if they are married, who are entitled to hospital and Red Cross benefits, who get socks and other comforts for the soldiers from the women of Canada—we are asking that they shall be given the vote. Hon. gentlemen opposite would give these soldiers of ours all these comforts, but for political reasons, being frightened of them, would deny them the vote. Do we realize that a war is on, and that to encourage our soldiers we must give them not only material comforts, but also the abstract right to vote? They have taken their lives in their hands and gone to the front to do or die for us. They have earned their right to citizenship, and surely to God they are entitled to the vote.

Mr. R. B. BENNETT: I very much hope that my learned and hon. friend from St. John (Mr. Pugsley) will withdraw his motion. The men with whom this section deals are British subjects, not foreigners, as my hon. friend from Edmonton (Mr. Oliver) says. It is presumed that they are British subjects. As such they have come from the United States and other countries and have joined our forces, particularly in Western Canada. My hon. friend says they should not be permitted to exercise the franchise. They have no right to exercise the franchise in the United States, not being American citizens, and in this war more than in any other conflict of the ages, the destiny of the British Empire is at stake. The only opportunity these men will ever have of casting a vote as to what shall be the future of this Empire is as units in the Canadian forces, and not otherwise or elsewhere. I therefore submit that as British citizens governed and actuated by a patriotic willingness to offer their lives for the safety of the Empire and of this section of it—because after all their love was the love of empire, they found Canada a convenient place in which to enlist—Canada now offers the only opportunity that ever will be afforded to them

to cast their votes for the defence of this Empire and determine whether or not in the midst of this war the conduct of the administration of this country merits the approval or disapproval of the men overseas. These men, British subjects, British citizens, coming here and signing on for three years, giving service to the state in Flanders and in France, offering their lives in the trenches, are asking now at the hands of this Administration an opportunity to cast a vote for the British Empire, for its salvation, for its destiny, and for that particular section of it which is called the Dominion of Canada. That is the first reason why they should have a vote.

The second reason is that these men have a deep and abiding interest in that portion of the Empire called Canada, because they have been receiving pay and separation allowances from our exchequer. They have an interest in the administration of the Dominion, because, in the future, their pensions must come from the Dominion, so that they have a deep and abiding interest in the administration of the financial affairs of Canada. They have been enlisted for one, two or three years, and should have the right to say whether or not the administration of the financial affairs of the country has been such as to merit their approval or their disapproval, because they have been engaged under Canadian administration, because they are under the aegis of Canada, because they have been receiving their pay from Canada, they have a deep and vital interest in the right to cast their votes. I cannot see how it would be possible to get away from these reasons. Let us examine the question a little further. What are the essential qualifications for voting in Canada? Two things only: residence and citizenship, or, to put it the other way, citizenship and residence. Those British citizens come from other countries and enlist here, thereby answering the first qualification. The second is answered by service. I said some days ago, and I wish to repeat it, that service given to the State by willing offer of one's life as a sacrifice upon the altar of patriotism, is the highest, the noblest, and most enduring service this world can ever know. Who would for a moment contend that service such as that for six, eight, or ten months, does not far transcend one year or three years' residence in Canada? It is only necessary to be a resident of Alberta for one year, before a man is entitled to the franchise. I am sure from what I know of my

hon. friend from Edmonton he will agree with me, that any man who has done six months' service in France or in Flanders has done more to establish his citizenship and his right to vote than he could do by living in our cities for any length of time. I submit that is the answer upon the question of qualification by residence. In the West, as my hon. friend knows, we have a very large number of Austrian and German reservists. Only a few days ago I received a letter from one of the officers who went with one of my home battalions. He said "one of the prisoners we captured was a German officer whom you knew well in Calgary, but whose name I am not allowed to give you at this time." He was a Canadian citizen, and had he not been able to escape from this country he would have voted in Calgary, in this war for Germany and Austria, yet when a British subject comes along from the United States and enlists to fight the battles of the Empire, you wish to deny him the right to nullify a vote such as that. I saw a letter the other day from a young boy, not yet eighteen years of age, to his mother. He had captured two prisoners. He had been wounded, but had delivered his prisoners to the nearest camp. He said "Mother, imagine my surprise when I found that one of them could talk English and had lived in Lethbridge before the war." So far as I have been able to ascertain, there are very large numbers of those men all through our Western country at the present time A whole settlement of them escaped to the United States, and were able to go across to Austria in some way that we do not know of. It is common for Canadians to capture German soldiers who were Canadian citizens before the war. They were naturalized, and many of those men would have the right to vote at the next election. I ask my hon. friend from St. John if in the light of that knowledge which he possesses, and which any man who reads the papers possesses; if in the light of the knowledge we possess of the recent elections in Saskatchewan and Alberta, and what passed there, he is not now prepared to withdraw his amendment, and afford to those citizens of the Empire the right to vote as Canadians; afford to them the right to express their opinions upon the conduct of the Administration of the country, and upon those measures that must be taken to give them that assistance and help that will enable them to carry forward this conflict to a glorious and victorious end.

Mr. GERMAN: The motion has elicited just the style of speeches I expected it would.

Sir GEORGE FOSTER: Very good speeches.

Mr. GERMAN: Very good indeed, of the kind, but absolutely far removed from what is really the crucial point in this motion. I have no desire to prevent a British subject from having a vote, and I never had any such desire. I have no fear of the votes of soldiers at the front who come from the county of Welland, or who come from any other county. The point involved in this motion, so far as I am concerned, is this: What right has any man or any number of men to say they will vote in the county of Welland, or in any other county, without any residence or even a legal status in that county?

Mr. R. B. BENNETT: This is not to be a county election; it will be a war election.

Mr. GERMAN: It is a county election, just the same as any other election ever was. It is an election which will decide the fate of the Government or the party, or decide who shall govern this country for the next five years—not for the next year or two years until the war is over.

If it was a war election, to decide what Government should be in power until the conclusion of the war, the contentions of hon. gentlemen opposite might be considered in point. But this is not a war election, it is an ordinary election in the Dominion of Canada to decide who shall govern this country for the next five years. My hon. friend from Frontenac (Mr. Edwards), in his fervid remarks, said that he would be very glad indeed, and that it would be wise, if a lot of these gentlemen who have no legal residence in Canada would record enough of their votes in the county of Welland to defeat me. So far as I am concerned, it makes very little difference to me whether I am defeated or elected. I never was a very ardent politician or a politician who desired particularly to participate in politics for the sake of being in politics. I have represented Welland for twenty-six years. I have been elected by majorities on every occasion running up into the hundreds. If the people choose to defeat me at the election, I am quite satisfied they should do so; they are the ones to choose, but I do not want the voice of the people of Welland to be smothered and killed by the votes of people who have never lived in Welland or in

Canada. Supposing, for instance, carrying out the idea of the hon. member for Frontenac, that the people of the county of Welland should choose to elect me as they have in the past by four or five hundred, or three hundred majority.

Mr. R. B. BENNETT: By acclamation.

Mr. GERMAN: Very well, by acclamation. They might do it again you know.

Mr. WEBSTER: There is no reciprocity this time.

Mr. GERMAN: Lightning sometimes strikes twice in the same place. But, assuming for the moment, and I will take that county for illustration, the people of Welland chose to elect me by three hundred majority, and thirty days after the election, a report came from London: Oh you are defeated. By what vote, I would ask and the answer would be: by the soldiers' vote from Welland in England? But the soldiers' vote from the county of Welland might be strongly in my favour—

Sir GEORGE FOSTER: How do you know?

Mr. GERMAN: I am mighty certain it will be. But I would be told: There are five hundred votes recorded against you of men who never lived in Canada, and never will live in Canada. What will the people of Welland think of that?

Mr. MIDDLEBRO: Why should my hon. friend be afraid of these five hundred votes?

Mr. GERMAN: I am not saying I am afraid of them. I am not afraid of any vote. I am not afraid of my hon. friend or his friends opposite. I am not afraid of anybody or anything, so far as I am concerned.

Mr. R. B. BENNETT: It is only reciprocity you are afraid of.

Mr. GERMAN: I am assuming that these men who have no legal designation in Canada do not know where their votes should be recorded. They will vote, say, for the Government. Assuming for the moment that they all vote for the Government, who shall designate the places where those votes shall be counted? It will not be the voter, because he does not know. It will be the deputy returning officer, and the deputy returning officer will designate those votes in the constituency where they will do the most good. This Government may be entitled to be returned to power; perhaps they will be returned to power. I am not now contending or labouring that question. Perhaps this Government could be returned to power by the vote of those men who absolutely have no residence in Canada. I say that, irrespective of all these high falluting suggestions of patriotism, it is not in the best interest of Canada that these outsiders, who do not know where they should vote, should have their votes placed for them by people who are in the employ of the Government. That is the point I take, and the point I make, and I submit that it is a point that should have weight, and that that clause should be amended in accordance with this resolution.

Mr. OLIVER: I wish to draw attention to a point that may interest my hon. friend from Calgary (Mr. R. B. Bennett). Assuming that everything he says is correct with regard to the propriety of outsiders, non-residents, voting, he will have to recognize the difficulty that the hon. member for Welland (Mr. German) has mentioned, the difficulty of distributing the vote. Assuming that the Government intended to be fair in the administration of the Act, would it not have accepted the suggestion made by the hon. member for St. John (Mr. Pugsley) the other day whereby the Opposition would have some measure or share in the direction of the affairs of the voting, relating to this distribution of votes? If they had done that, the Government could fairly claim that they did not want to take an unfair advantage of the fact that they have control of the machinery of elections.

Mr. R. B. BENNETT: Is not the counting to which the hon. gentleman referred in his previous address adequately safeguarded now by the recast Bill?

Mr. OLIVER: I think the arrangements as to the counting are greatly improved and very satisfactory. But in regard to the point raised by the hon. member for Welland that these voters, these men who are constituted voters by this Bill, who have no knowledge of any constituency in Canada, would have the right when they vote to make the selection of the constituency of which they have no knowledge, all the machinery, all the direction is in the hands of my friend's friends. I say that if the Government desired to preserve the appearance of fairness under these peculiar circumstances—everybody will admit that they are very peculiar—the party of the Opposition should have some share in the control in connection with the distribution of this vote, that

is, the two parties should have an even break in regard to it.

Mr. R. B. BENNETT: Do you not think that is covered by the provision as to scrutineers?

Mr. OLIVER: I understood not.

Mr. R. B. BENNETT: Do you not think it is adequate?

Mr. PUGSLEY: The scrutineers have nothing to do with the allocation of the vote.

Mr. R. B. BENNETT: But they prevent the difficulty my hon. friend refers to.

Mr. PUGSLEY: Not at all.

Mr. R. B. BENNETT: If they do their duty, yes.

Mr. PUGSLEY: No, they have no duty in regard to it. The presiding officer is taking the vote. Naturally the non-resident knows nothing of the constituencies in Canada, nothing of the candidates. He will ask advice from the presiding officer—that will be a common thing—as to the different constituencies, and in that way there is an opportunity which ought not to be afforded by this Bill for these presiding officers to really largely control the allocation of the votes of those who have never been residents of Canada. I quite agree with the hon. member for Calgary (Mr. R. B. Bennett) in his suggestion that the Bill, as it is proposed to amend it, will be greatly improved as to those who have once been residents of Canada, because they must specify their last place of residence in the country. But the objection still exists as to those who have never been in Canada, who have never set foot in Canada, who were not born in Canada, and therefore cannot be considered as Canadians. That class of people will still be allowed to vote under this Bill, and, under the provisions of section (c), will be enabled to choose any constituency in Canada which they care to select. Giving the fullest force to everything which the hon. member for Calgary has said, and so well said, in regard to the recognition which the country ought to give to every man who joins the Canadian Expeditionary Force and is prepared to risk his life for the Empire, let me ask him if he does not see a very great injustice to the Canadian boy who is at the front, whose choice is limited to the constituency in which he resides—does he not see the great injustice that is being done to him by giving to a stranger, a non-resident of Canada, the right to pick out a constituency anywhere in Canada in which his vote shall be counted.

Mr. R. B. BENNETT: If we concede he should have a vote, obviously the complement of that is that he himself must select where his vote will be placed.

Mr. PUGSLEY: Not necessarily.

Mr. R. B. BENNETT: Surely my hon. friend would not suggest that the returning officer should do the choosing?

Mr. PUGSLEY: No.

Mr. R. B. BENNETT: He would not suggest that his scrutineers should determine the constituency?

Mr. PUGSLEY: No.

Mr. R. B. BENNETT: Nor that our scrutineers should?

Mr. PUGSLEY: No.

Mr. R. B. BENNETT: Therefore, the man himself should?

Mr. PUGSLEY: Yes.

Mr. R. B. BENNETT: That is what we have done.

Mr. PUGSLEY: The difficulty is the man will not select it.

Mr. R. B. BENNETT: I have faith in his intelligence.

Mr. PUGSLEY: He will say: "I do not know anything about the constituencies in Canada." He will say to the officer taking the vote: "Give me your suggestion as to where the vote should be allocated." But the fact that there is an injustice to a soldier who has been a resident of Canada in allowing a non-resident to have a choice of the whole 230 odd constituencies is a reason why the non-resident should not be given a vote, or that his vote should be allotted to the constituency in which he enlisted. That would limit it. It might be an injustice, perhaps, to have a number of these votes given in the constituency in which the men happened to enlist, but it is very much better to incur that inconvenience, and that very slight injustice, than to allow an injustice to be done in a large number of constituencies. But it all comes back to this, that no man should be allowed to vote unless he is able to make an affidavit as to some constituency in which, at some time or another, he has resided. The only effect of that would be to debar altogether those who have not been born in Canada, who have never lived

in Canada, and who can be described absolutely as non-residents of the country.

Mr. MIDDLEBRO: That is not the hon. member's amendment. The amendment proposes to give them no vote at all.

Mr. PUGSLEY: Yes, for this reason; that we have to take this Bill section by section, and when we are considering this amendment we find ourselves confronted by the provisions of section 3, which we are bound to take into consideration, and which expressly provide that the man who has not had a residence in Canada which he can specify, is allowed to pick out, at his own whim, any one of the 230 constituencies in Canada. My hon. friend from Calgary appealed to me to withdraw the amendment. I would be perfectly willing to withdraw it, if I could have the assurance of the Minister of Justice that section 3 will be so amended as that the voter must specify some constituency in Canada in which he has, at some time in his life, resided. I would make it very broad, so that it will apply to those who have been once in Canada, and if my hon. friend the Minister of Justice will say that he will propose an amendment to section 3, which will require that the elector shall specify some constituency in Canada in which he has at some one time in his life had a residence, then I shall be perfectly willing to withdraw the amendment. But I am not willing, as one member of this House, to allow the vote of the Canadian people, more especially the votes of our Canadian boys who have gone to the front, to be submerged by the votes of strangers, of non-residents of Canada, who are to have the privilege, under this Bill, of allotting their votes over the whole Dominion of Canada, to pick out any one of the 230 odd constituencies, and place their votes in constituencies which, in many cases, I am bound to believe, these partisan presiding officers, whose appointment this Government is determined to keep in its own hands, will have the selection of, rather than these non-resident soldiers.

Mr. BOIVIN: I do not think I can be accused of obstructing, if I say a word or two, because this is the first time I have spoken in the debate on this Bill. I should like to point out to the Government that I am supporting the amendment proposed by the hon. member for St. John because I consider the Bill, as drawn, does an absolute injustice to the Canadian soldier. A soldier from the constituency of my hon. friend for St. John and Iberville who happens to be a Conservative in politics, and would like to vote for the Government in a constituency where his vote might do some good, is not allowed to do so under this Bill. He must vote in the constituency of St. John and Iberville, where his vote will certainly be lost. But a man from the United States, who never resided in Canada, can place his vote where it will do most good.

Mr. R. B. BENNETT: That is what he will do.

Mr. BOIVIN: I really am in favour of the principle of allowing every British subject, who is fighting in the Canadian army, to vote in this election.

Mr. R. B. BENNETT: Hear, hear.

Mr. BOIVIN: I think they should vote, and should be represented in this House, I have a suggestion to offer, but I am not prepared to say that it can possibly be done, as I have not looked up the constitutional aspect of the matter. I should like to suggest an amendment, providing that, notwithstanding anything which may be contained in the Redistribution Act of Canada, a county at large be formed, which would be represented in this House by a member elected by all these soldiers fighting in the Canadian army who had not resided in some particular county in Canada before they enlisted. In that way, they would have representation in this House, and people residing in each constituency in Canada would still have the right to elect their own representatives, with the aid of the votes of their own soldiers. I offer this suggestion to the Government in the very best of good faith. I do not think the non-resident soldiers should be allowed to mass their votes, and thereby destroy the chance of a candidate in any particular district. On the other hand, I think they should vote in the election, and that their votes should be counted. They should have representation in this House. I do not see anything incompatible with the British North America Act in creating an extra constituency. The British North America Act provides that Quebec shall have 65 representatives, and that the representation of the other provinces of Canada shall be in the proportion that their population bears to the population of Quebec. If we had 35,000 strangers, or 35,000 British subjects—I do not want to use the word strangers—who have not resided in Canada prior to the war, but are fighting in the Canadian army, or if we have twenty or thirty thousand, we have almost the population

of an additional county. It is so much more added to the population of Canada. They should be entitled to representation, and I think a county at large could very well be designated for them, where they could elect their own representative, who could be sent here to represent them in the next Parliament.

Mr. MICHAEL CLARK: Would the hon. gentleman only give them one member, to these 35,000 soldier electors?

Mr. BOIVIN: I do not know how many of these non-resident soldiers there are. If there is a number equal to the number of electors of two counties, I think they are entitled to two members, and I would have no objection to allowing them two. I take it for granted that, of the soldiers who never resided in Canada before, there are probably fifteen or twenty thousand at the front, and that the others resided in Canada before they enlisted, and will vote in their respective constituencies. If the number is so great that they are entitled to two seats, I think they should have them.

Amendment (Mr. Pugsley) negatived on division: nays, 51; yeas, 13.

Mr. GERMAN: I wish to draw attention to the manner in which the word " minor " is used in this section. The section says:

"Military elector" means and includes every person, male or female, who, being a British subject, whether or not ordinarily resident in Canada and whether or not a minor or an Indian, has been, while within or without Canada, appointed, enlisted, enrolled or called out for active service as one of the Canadian Expeditionary Force, the Royal Canadian Navy, the Canadian Militia on active service, or the Royal Naval Canadian Volunteer Reserve, or has been, while within Canada, appointed, enlisted or enrolled as one of the British Royal Flying Corps, Royal Naval Aviation Service, or Auxiliary Motor Boat Patrol Service, whether as officer, soldier, sailor, dentist, nurse, aviator, mechanician or otherwise.

A minor is any person under the age of 21 years. No minor below the age of 18 years has been enlisted in any of the Canadian Expeditionary Forces. I submit that the word " minor " should not refer to any person under the age of 18. Further, those appointed, enlisted, enrolled, or called out for active service in the Royal Canadian Navy and the Royal Naval Canadian Volunteer Reserve are not on active service. If they are appointed or enlisted in either of these forces prior to the election they will be in Canada at the time of the election. There will be no intention of sending them overseas for service.

Mr. HAZEN: While they do not go overseas, most of them are engaged in active service. A great many of them are engaged in service of a very dangerous character in connection with the patrol service along the Atlantic coast, searching for submarine bases, and work of that kind. The provisions of this Bill do not cover those engaged on fisheries protection vessels; they relate only to those actually engaged in naval service.

Mr. GERMAN: It would be a very easy matter to enroll a large number of naval cadets prior to the election, who, though under 21 years of age, would have a vote by reason of this legislation. That might very well be done without the knowledge of the Minister of Marine and Fisheries, or of any member of the Government. I have taken the liberty of preparing an amendment to cover this point. I move that the following words be added to subsection 2:

(a) "Minor" in subsection 2 shall not refer to any person under the age of 18 years and shall only refer to such persons as have been appointed, enlisted, enrolled or called out for active service as one of the Canadian Expeditionary Force, or had been at the time of the passing of this Act so appointed, enlisted, enrolled or called out for active service in one or other of the several forces in said subsection set out.

That would mean that all minors down to the age of 18 who were actually enrolled or called out for service in the Canadian Expeditionary Force would have a vote; that all such persons down to the age of 18 who had been enrolled or appointed in any of the other services at the time of the passing of this Act would have a vote, but that those who enrolled after the passing of this Act and before the election would not have a vote. A large number of minors will no doubt be enrolled in the Canadian Expeditionary Force subsequent to the passing of this Act and prior to the election who should have a vote; no one wishes to deny them that right. But what I point out is that the organization of units of naval cadets or of minors in these other services subsequent to the passing of this Act and prior to the election, giving these minors the right to vote, would have a very serious effect on the election and a very unhealthy effect on the general sentiment of the country.

Mr. DOHERTY: With regard to the suggestion that we should limit minors to minors of 18 years, very few would be enlisted under the age of 18 in any event. When a boy of 17 had enlisted and is per-

forming active service, why should we discriminate once we have, in our legislation, gone below the age of 21?

Mr. A. K. MACLEAN: Cadets cannot enrol if they are over 16 years of age.

Mr. DOHERTY: With regard to cadets bona fide enrolled after this Bill is passed, it would be rather unfair to discriminate against them and to say that they should not vote, although their comrades have the right to do so.

If that be so—and that seems to me quite clear, there is only one reason that remains why we should do this, and that involves the very grave imputation on all officers charged with enrolment of cadets of this kind, namely, that this Parliament thinks that they will proceed to enrol, as has been said, battalions of minors for the purpose of making votes. I appeal to the committee. Does this committee suspect that? Does this committee think it is necessary to put upon record that that is our view of those officers?

Mr. GERMAN: It is not the officers who are enrolling those men; they can be enrolled throughout the country. As I pointed out the other night, in different polling divisions there might be two or three young men whom they could enrol in the navy, so that they could register their votes.

Mr. DOHERTY: If that can be done, it is news to me. I did not know that there were naval officers sittting at every poll to enrol cadets.

Mr. GERMAN: I am not saying that at all.

Mr. DOHERTY: Those lads can be enrolled and become cadets only if they are enrolled by officers authorized to enrol them, and at the proper place. You do not enrol naval cadets at every street corner.

Mr. GERMAN: Certainly not.

Mr. DOHERTY: There is one reason for this amendment that is advanced, namely, that the officers of our naval forces—and those officers are few in number—are open to the suspicion that they will enrol battalions of minors—that is the expression of the hon. member—for the purpose of making votes. I ask this committee: In all fairness, are they prepared publicly to put that imputation upon those officers? Is it credible that those officers would do such a thing? Those officers are known to the public; they have their responsibilities to the Government and to the public, and can it be supposed that men in those positions of responsibility are going to bring upon themselves the execration and condemnation of the whole population of Canada by abusing their position in the naval forces to proceed to the manufacture of minor votes? I must say, with all respect: This is an amendment for which there is no substantial reason advanced, and I would ask the committee to reject it.

Amendment lost on division.

Section agreed to.

On section 3—Voting by military electors:

Mr. A. K. MACLEAN: I call the minister's attention to these words in line 3 of subsection 2:

> Of the year immediately preceding his appointment.

Does that mean the calendar year preceding his appointment, or does it mean within the period of twelve months preceding his appointment? If it read "within one year immediately preceding his appointment," it would be a little clearer. It might be read to mean that it was the calendar year preceding the year in which the enrolment took place.

Mr. DOHERTY: The suggestion is that the wording might imply that it is not the year which immediately precedes, but the year that precedes that year. That was not intended. I would call the attention of the hon. member to the wording. It is to be "at least four months of the year immediately preceding his appointment." I think that makes it quite clear that the four months to which we refer are four months of the year that immediately precedes, his appointment, and I think, therefore, the year referred to is clearly the year immediately preceding his appointment. I have no objection to modify the clause if there is the slightest doubt about it.

Mr. CARVELL: I would suggest, to make the matter absolutely clear, that the clause read:

> During at least four months of the twelve months immediately preceding his appointment.

The word "year" might be construed as a calendar year, or as the preceding twelve months.

Mr. DOHERTY: If no other good comes of this Bill the training I shall have had in accuracy in expression will be invaluable to me. I am not criticising; I am expressing my gratitude. I beg to move:

That subsection 2 be amended by inserting in the blank space in the second line the word "four," and by striking out in the third line the word "year" after the words "of the" and substituting therefor the words "twelve months."

Amendment agreed to.

Mr. DOHERTY: I beg further to move:

That section 3 be amended by inserting therein as subsection 3 the following:

"If he cannot state or so specify an electoral district or place wherein he has so resided for the time and within the period mentioned in subsection 2, but can state an electoral district or so specify a place within Canada wherein he has at any other time resided, he shall be deemed an elector of the electoral district so stated or made ascertainable and his vote shall be applied thereto.

Amendment agreed to.

Mr. DOHERTY: I beg further to amend the section as a whole by substituting the figure "4" for the figure "3" at the beginning of the present subsection 3 and the figure "5" for the figure "4" at the beginning of the present subsection 4.

Amendment agreed to.

Section agreed to.

On section 5—Ballots and custody:

Mr. DOHERTY: There is a very trifling, but necessary amendment that ought to be made to subsections 5 and 6. It is to substitute in those sections the word "forces" for the word "troops," as used with reference to the commanding officer in Bermuda or elsewhere in North America, because there are forces other than military forces and the word "troops" would perhaps hardly properly apply to them. I beg to amend section 5 by substituting for the word "troops" in line 20, the word "forces." There are some naval forces, and we do not wish to call naval forces troops.

Amendment agreed to.

On section 6—Information as to candidates:

Mr. DOHERTY: I beg to amend section 6 by substituting in the forty-fourth line of page 4 the word "forces" for "troops."

Amendment agreed to.

On section 8—Conduct of polls:

Mr. CARVELL: I have a suggestion to make which I think it would be advisable, if not almost necessary, for the minister to adopt in view of the amendment which he proposed the other evening. Subsection 2 says:

The Canadian military and naval authorities at every camp or other place where any poll is held shall afford to the attending deputy presiding officer all necessary facilities, and the officer commanding shall allow every military elector, so far as may be consistent with the proper performance of his duties, time and opportunity to vote.

I would suggest that the minister add, after the word "officer" in line 28, the words "and scrutineers."

Mr. DOHERTY: The amendment that we passed the other evening read:

and, subject to the same condition, to every military elector who may be appointed a deputy scrutineer time and opportunity to perform his duties as such.

Mr. CARVELL: Probably that covers it.

Mr. DOHERTY: If it does not completely cover it, we could say "to afford to the attending deputy presiding officer and scrutineer all facilities."

Mr. CARVELL: The amendment which was carried the other evening read:

and, subject to the same condition, to every military elector who may be appointed a deputy scrutineer, time and opportunity to perform his duties as such.

Suppose that a civilian scrutineer were sent. I do not see anything in the Bill, either in the letter or in the spirit to prevent that, and I think it would be necessary to insert the words I suggested in order to give him facilities.

Mr. DOHERTY: Very well.

Mr. WRIGHT: I would suggest that the word "official" would include clerks, scrutineers and any other necessary officers.

Mr. CARVELL: I have some doubt whether a scrutineer is an official.

Mr. DOHERTY: The suggestion is that we should say "officials or scrutineers."

Mr. CARVELL: That would be all right.

Mr. DOHERTY: I beg to move that subsection 2 of section 8 be amended by inserting in the third line of the subsection, after the word "officer" the words "officials and scrutineers."

Amendment agreed to.

Mr. DOHERTY: I beg to move that subsection 4 of section 8 be amended by adding thereto the following:

Every scrutineer, deputy scrutineer, and military elector so acting shall on being admitted to the poll take before the deputy presiding officer the oath in form U of schedule 1 of this Act.

That is the same oath as is taken by scrutineers under the general Elections Act.

Amendment agreed to.

Section as amended agreed to.

On section 9—Manner of voting without Canada:

Mr. DOHERTY: I beg to move that clause (f) of subsection (1) of section 9 be amended by striking out the words "administer to himself" in the second line thereof and substituting therefor the word "make," and further, that the clause be amended by inserting the word "himself" between the word "and" and the word "certify" in the third line thereof.

Amendment agreed to.

Section as amended agreed to.

On section 11—Forwarding the ballots:

Mr. DOHERTY: I beg to move that section 11 be amended by inserting at the beginning thereof the following:

The ballot boxes for use in the United Kingdom and on the continent of Europe shall be provided by the assistant Clerk of the Crown in Chancery to the presiding officer, who shall deliver the same locked to the various deputy presiding officers, retaining the key, and forthwith after delivery of any ballot box despatching the key thereof to the ultimate destination of the ballot box as hereafter in this section indicated whereat any ballots to be obtained in said box are to be counted.

The effect is that the ballot box leaves the presiding officer locked. He keeps the key and sends it to the officers who are to do the counting. The deputy presiding officer, therefore, receives the locked box, with an opening in it through which an envelope can be slipped, but nothing can be taken out of the box without it being opened.

Amendment agreed to.

Mr. CARVELL: I think that covers everything, except the forms.

Mr. DOHERTY: There is one other suggestion which I think will meet the views of the committee. I believe we were all agreed last evening that thirty-one days after the polling day imposed as a necessary delay before counting the ballots was, perhaps, unnecessarily long, and the suggestion was made that supposing all the boxes were collected sooner there should be some method of counting them sooner.

At six o'clock the committee took recess.

[Mr. Doherty.]

After Recess.

The committee resumed at eight o'clock, Mr. Rainville in the Chair.

Mr. DOHERTY: We were at section 12 when the committee rose. I beg to move that the following be added to section 12 as subsection 11:

Notwithstanding the provisions of subsection (4) of this section, the secretary of the High Commissioner's office and the Commissaire Général du Canada in France, and the general returning officer, respectively, shall in the event of all the ballot boxes issued to deputy presiding officers in the United Kingdom, on the continent of Europe and in North America respectively, being received by them respectively, and the proceedings under subsections 1, 2 and 3 of this section completed before the thirty-first day next after polling day in Canada, fix an earlier day whereof two days' notice shall be given to the scrutineers entitled to attend on the counting of the ballots and on such earlier date the special returning officers shall proceed to the counting of the ballots in the manner in this section provided.

This is to make it possible not to wait for the 31 days if all the boxes come in.

Amendment agreed to, and section as amended agreed to.

On section 13—Return of ballots:

Mr. DOHERTY: I wish to move an amendment to make good an omission in the printing of the Bill. I move to amend section 13 by inserting in line 33 after the word "and" and before the word "transmit," the following words: "after the sixth day after he has made such final addition". This provision permits the returning officer to retain the ballots until after the four days during which a recount may be demanded.

Amendment agreed to, and section as amended agreed to.

On form (b)—Questions to voters:

Mr. DOHERTY: It will be necessary to change form B owing to the amendment made to section 3 in connection with which form it applies. I move to amend form B by inserting therein as question 8 the following:

If you cannot specify as required by question No. 6, or state as required by question No. 7, then state in what electoral district or place within Canada (giving street and number where possible) you have resided at any other time than is referred to in question No. 6.

Questions 6 and 7 are the questions leading up to the electoral district or particular place where a man last resided for four months of the twelve months immediately preceding his appointment. This is to meet

the case of a man who cannot give that information, but who has at any time resided in Canada. He shall vote in the place where he resided in Canada.

I move further to strike out the present question 8 and to substitute for it the following as question 9:

If none of your answers to questions Nos. 6, 7 and 8 specify or state as required thereby to what electoral district do you desire your vote to be applied?

This is to ask for an indication, in the case—which now will be, I think, a very exceptional case—where a man cannot state either the district in which he has resided for four months in the last year or a district in which at any time he resided in Canada.

Amendment agreed to.

Mr. OLIVER: In the first and second questions a certain form is adopted, and an opposite form is adopted in the third and fourth questions. Is there any particular reason for that?

Mr. DOHERTY: No, except that questions 1 and 2 are what you might call formal questions, and it is shorter to put them in that way—"your name is?..... rather than "What is your name?" There was no intention in doing it, and I cannot see that it makes any difference.

Mr. OLIVER: Would there be any objection to casting each of these paragraphs into the form of a question?

Mr. DOHERTY: The hon. gentleman suggests that we make it read, "What is your name?"

Mr. OLIVER: Yes.

Mr. DOHERTY: I have no objection.

Mr. CARVELL: I think it is better to put them all in that form.

Mr. DOHERTY: Then it will read, "What is your name?" "What is your rank?" and "What is your number?"

Mr. MURPHY: Does the section to which this form relates provide that the certificate is to be filled in by the elector, or the deputy presiding officer? It is signed by the deputy presiding officer, but it is to be filled in by the person to whom the interrogations are addressed.

Mr. DOHERTY: The intention is that the presiding officer shall put these questions and fill in the answers. He asks the questions, puts in the answers, and certifies that the man has sworn to the answers.

Mr. MURPHY: There would be less likelihood of suggestion to the voter if he were to fill in the answers himself, particularly to No. 8.

Mr. DOHERTY: It is just a question of who will do the writing.

Mr. MURPHY: I appreciate that the question of time enters into it.

Mr. DOHERTY: This very matter of not requiring the soldier to do the writing or signing was pointed out to us as one of the things that was desirable, by gentlemen who have had to do with the elections that have been held. It was pointed out that whatever shortened the procedure was of very great importance. I am not in a position to say why, but I think it is quite resonable that it should be so.

Amendment adopted, and section as amended adopted.

On form A—Ballot:

Mr. DOHERTY: The hon. member for Queen's (Mr. A. A. McLean) calls my attention to the fact that in the enumeration of electoral districts in which two candidates can be elected, we omitted the district of Queen's county, Prince Edward Island. I move to further amend Form A, as already amended, by adding to the enumerated constituencies in which two candidates can be elected, the electoral district of Queen's county, Prince Edward Island.

Mr. A. K. MACLEAN: Is it understood that the first blank space on the ballot is to be larger than appears on this form?

Mr. DOHERTY: Yes, the space will be enlarged.

Mr. A. K. MACLEAN: It should be much wider than appears in the form. There is no great distinction between writing the name after the printed matter, and marking an "X." There is quite a space there. It might be possible that neither the Prime Minister nor the leader of the Opposition would be able to designate some of the candidates under section 12, and perhaps it would be wise to allow the candidate to designate his party. Some complications might arise in regard to this provision.

Mr. DOHERTY: Supposing two gentlemen claim to be the Opposition candidate, or two gentlemen claim to be the Government candidate, we shall be in a hopeless situation.

Mr. A. K. MACLEAN: There is no way out of it.

Mr. DOHERTY: I have thought the matter over a good deal, and I confess I do not see any way, unless we have some authority which is going to determine the question. Where there is only one man running as a Government or Opposition candidate, no difficulty will arise, and it is just to meet the case where two gentlemen may be running as Opposition candidates, or two gentlemen running as supporters of the Government that this provision is framed. We have to get some authority that will decide between them.

Sir HERBERT AMES: Did the minister give further consideration to my suggestion the other evening that number two should be number one, number three should be number two, and number four should be number three? It should be arranged so that the first option is the Government candidate, the second the Opposition, the third the Independent candidate, and the fourth the individual candidate who might not be covered by any of the three.

Mr. A. K. MACLEAN: That is a discouragement to the personal vote, which we should encourage.

Sir HERBERT AMES: I think it would be a wise arrangement, because nine-tenths of the votes will be for the Government or Opposition candidates, and they would naturally like to mark their ballots in the first or second space. If they do not wish to vote for the Government, Opposition, or Independent candidates, they can indicate some other candidate for whom they wish to vote. The present arrangement is going to be puzzling. A voter may desire to vote for a certain candidate, and will write his name in the first space. If that candidate happens to be the Government candidate the voter will put a cross against number two, and thus the ballot will be marked in two places.

Mr. DOHERTY: In that case, if the candidate he names is the Government candidate, the voter has twice indicated his intention. We have provided that if a man inserts a name and then makes a mark, say, against "Government candidate" and it turns out that the man whose name he put down is really the candidate of the Opposition, the vote will be counted for the Opposition candidate. The purpose of asking the voter to vote either for the Government or for the Opposition is that the name of the individual candidate for whom he voted may be ascertained. Wherever the individual does know the candidate's name, you are saved the additional operation, with possible errors, of transmitting to a particular candidate a vote that is marked for the Government or for the Opposition. After all, the election in each constituency is between particular candidates, and the thing to be found out is the name of the individual candidate for whom the voter voted.

I think the question whether more men will vote for a particular candidate than for Government or Opposition, or vice versa, is in the realm of speculation. The hon. gentleman anticipates that more ballots will be marked for Government or for Opposition than for individual names. We have taken pains to provide machinery by which the names of candidates in all constituencies may be brought to the knowledge of the military electors, and I anticipate that the greater number of votes will be for particular candidates. I think that the sense of the committee, when the matter was discussed, seemed to be rather in favour of the first space being that in which the name should be written.

Mr. GERMAN: I think that the very reverse of that suggested by the hon. member for St. Antoine (Sir Herbert Ames) would happen. The soldier from Canada who knows the constituency from which he comes and the names of the candidates in that constituency will vote for the candidate of his choice. Undoubtedly a section of voters do not know who the candidates are, what the constituencies are, or who they are voting for—except that they are voting for the Government. That class, I understand, would come within the purview of what the member for St. Antoine has said. The military electors from Canada, however, will vote, I think, more generally for individual candidates than for Government or the Opposition.

Mr. CARVELL: In view of the fact that there is no distinguishing mark on the ballot—that the ballot does not contain the returning officer's initials—some provision should be made that the person who prints these ballots in London or in Paris will make an affidavit similar to that made by the printer of ballots in Canada. Under the Dominion Elections Act the printer has to make a positive affidavit that he has printed so many ballots and no more. It would be a simple matter for a printer employed in London to print ballots and send them out by the thousands, as they are wanted, to any applicant who would pay the price. It is true that the law says that the ballot

shall be marked in the presence of the returning officer, but the provision is that it must be marked in such a way that the officer will not know how he votes, and it would be a very simple matter to substitute one ballot for another.

Mr. DOHERTY: I have no objection to accepting that suggestion. The best way would be to lift the section of the Dominion Elections Act right in there. I move that the following provision be inserted as subsection 3 of section 5:

> The printer shall, upon delivering the ballot papers to the Assistant Clerk of the Crown in Chancery, file in his hands an affidavit setting forth the description of the ballots so printed by him, the number of ballots supplied by him and the fact that no other ballot papers have been supplied by him to any one else.

Amendment agreed to.

Mr. A. K. MACLEAN: Would it not be wise to state in form A that the cross with which a man marks his ballot shall be marked with a particular kind of pencil or pen?

Mr. DOHERTY: I hardly think we ought to do that, in view of possible conditions. There was an amendment which I thought had been passed the other evening, but I find that it has been overlooked. It was an amendment prescribing that when the presiding officer appoints his deputy presiding officer he shall give due notice to the scrutineers of each party.

I now move to amend paragraph (e) of subsection 1 of section 4 by adding thereto the following:

> Every presiding officer shall notify in writing, by mail or other expeditious means, the scrutineer of each party whose place of address may be nearest to him of the names of all deputy presiding officers appointed by him.

Amendment agreed to.

Mr. CARVELL: I suppose the minister will have this Bill reprinted before it is read the third time? It is rather confusing, and we would all like to have an opportunity to go over it.

Mr. DOHERTY: Yes.

Mr. A. K. MACLEAN: Will the minister look at form A again? Would it not be well to change the first and last sections so that the first shall be last, and the last first?

Mr. DOHERTY: It was agreed that that should be done, but I find that the amendment was not drawn up so as to meet that.

Mr. A. K. MACLEAN: Is there any better word than the word "party" there?

Mr. DOHERTY: What would be the suggestion with regard to that word?

Mr. A. K. MACLEAN: There is apt to be a confusion as to whether the word "party" means "person" or a particular party as represented by the Government, Opposition or independent candidate. We spoke of that the other day.

Mr. DOHERTY: For the purpose of clearing that up, we substituted for the words "particular person" the words "particular candidate or candidates designated by name," and when we put in contradistinction to each other a party or a particular candidate or candidates designated by name, I would think, under these circumstances, the word "party" could mean nothing other than a political party. Nobody could then confuse it with person, and it is a little difficult to find another word to substitute for "party" for that purpose that would be any clearer unless we had a long description. I move to amend form A by making the instructions as to the method of voting for a particular candidate or candidates precede that as to the method of voting for a party. When this amendment is carried we shall have Form A printed in that way.

Mr. MURPHY: Has the ballot as it appears in the draft Bill been altered? Has there been an addition to provide for voting for a labour candidate?

Mr. DOHERTY: An amendment carried to make that addition and also to widen the spaces. Furthermore, we substituted for the word "person" the words "candidate or candidates designated by name." That was to clear up the distinction between a party and a person.

Amendment agreed to.

Mr. OLIVER: Will the Government assume any responsibility in the matter of informing the voters overseas as to the nomination of candidates? That, of course, is not a matter within the scope of the Bill.

Mr. DOHERTY: Section 6 makes a special provision imposing the duty upon the Clerk of the Crown in Chancery to send the information and upon all officers to circulate it in every possible way.

Mr. OLIVER: That is all very well, but unless the information is over there in good time—

Mr. DOHERTY: It will be sent by cable on nomination day.

Bill reported, amendments read the first and second time, and concurred in.

SUPPLY.

House again in Committee of Supply, Mr. Rainville in the Chair.

Supplementary Estimates, 1917-18—Immigration—Salaries of agents and employees in Canada, Great Britain and foreign countries—Further amount required, $20,000.

Mr. ROCHE: The House will remember that when my Estimates were up before I was asked if it was the intention to increase the salaries of members of the Outside Service, and I replied that it was my intention to have an item in the Supplementary Estimates to provide for an increase in the Outside Service similar to the increase provided for the Inside Service under the legislation of the Minister of Finance, namely, that in deserving cases those in receipt of less than $1,000 per annum should receive an increase of $100 a year.

Mr. OLIVER: The higher salaried agents receive no increase?

Mr. ROCHE: No.

Mr. MURPHY: In how many countries outside of Canada and Great Britain are agents employed?

Mr. ROCHE: Only in the United States, where we have seventeen agents at the present time.

Mr. OLIVER: Is the movement of people from the United States increasing?

Mr. ROCHE: I think possibly there was in increase of 50 per cent this year over last. Immigration from the United States was down to a minimum in 1915, but there was a considerable increase in 1916, and this year again there has been a large increase until very recently. It is possible, however, that conscription in the United States may have the effect of checking immigration.

Mr. OLIVER: Is the increase largely among men looking for homestead lands, or among those desiring to purchase lands?

Mr. ROCHE: Both. This year there is possibly a larger influx of those who are purchasing land. Quite a number are also going into the Peace River country and taking up homesteads. Our information is that those who are coming over consist

of agriculturists, agricultural labourers, and those with money of their own who have sold out their properties in the United States with the idea of buying cheaper land in Canada.

Mr. OLIVER: Would it be correct to say that the Peace River district is attracting a larger number than other sections of Canada?

Mr. ROCHE: Yes, as regards homesteads.

Mr. EDWARDS: Are there any special agents from the province of Quebec working among the French of the United States with a view to getting them back to this country as settlers? If there are any such agents, I should like to know how many there are, how many settlers they brought back to Canada last year, where they were settled, and what money has been spent on these agents for salaries and expenses. There is another point: It has been rumoured that agents from the province of Quebec working among their compatriots in the United States, in the New England states presumably, have taken advantage of their position as immigration agents to transport people, not from the United States but from Ontario and Quebec to the Northwest. If anything of that kind has gone on—I do not say it has, but I have heard rumours to that effect—I do not think it is exactly what was intended by appointing immigration agents. The idea in appointing them was not that they should arrange for the transport of men from one province to another, but to get people from outside to come into this country. I should like to know if this rumour is well founded, and to what extent this thing has been going on in the past, if at all.

Mr. LEMIEUX: Before the minister answers my hon. friend, I should like to say that this is the first time I have ever heard of any such scheme. If there is any truth, or any semblance of truth, in the rumour that agents appointed to promote immigration from the United States to Canada are sending to the Northwest people from the province of Quebec or other provinces, under the pretext that they are immigrants from the United States, I would urge the Minister of the Interior to order at once a very thorough investigation to ascertain the facts.

Mr. ROCHE: From time immemorial agents have been working amongst the French Canadians who migrated from Canada, principally from the province of

Quebec, many years ago, to work in the mills of the New England states.

Their children have been growing up, and it has been the desire to secure our fair share of immigrants from the United States, including the repatriation of Canadians who have gone to the New England States. Colonization agents have been employed for that purpose for many years past under this Government and under preceding governments. I understand there are three of those gentlemen working in the New England States, Rev. J. B. H. Giroux, whose headquarters are at Montreal and whose salary is $600 per annum; Rev. J. B. Bourassa, whose headquarters are at Montreal and whose salary is $1,200 per annum, and Rev. O. Corbeil, whose salary is $600. We have no separate statistics as to the number of French Canadians brought into Canada from the United States. They are all classed as immigrants. Roughly speaking, however, I should say about fifteen per cent of those coming back to Canada from the New England States are repatriated Canadians. They are not classified as French Canadians, English Canadians, etc,—they are all repatriated Canadians. The idea is that a propaganda should not be carried on in any one province to get a movement into another province. There were some complaints made to me on that score about two years ago against one particular colonization agent. He was at my office one day, and I told him about these complaints, explaining that the province of Quebec had objected to any propaganda tending to take their people away and locate them in the northern portion of Ontario, or any other province. I told him we were not spending money for that purpose. He said he had not been carrying out any policy of that character except in a few instances where he knew the people were about to move away from Quebec to the United States, and rather than see them leave Canada entirely, he had done his best to get them to settle in other provinces of the Dominion.

Mr. EDWARDS: Can the minister give me any idea as to the numbers, or as to what part of the country they have settled in; also the total amount expended through these three agents? I would also ask why there is a difference in the salaries. I notice two of the agents receive $600, and the other $1,200. Is it accounted for by the difference in the time they spend at the work?

Mr. ROCHE: I believe Rev. Mr. Bourassa receives the larger salary because he devotes more of his time to the work. As a matter of fact, he devotes his entire time to it. He is very much more energetic and he has brought in many more immigrants from the New England States than the other two gentlemen have. I think one of these agents is temporarily taking the place of another gentleman who went to the front. It is impossible to give even an approximate idea as to the number of immigrants who have been brought in by these officials. All I can tell my hon. friend is that about fifteen per cent of the total immigrants from the United States are repatriated Canadians. Some of them are located along the Transcontinental railway, in the northern portions of the provinces of Ontario and Quebec, some of them are taken right through to Saskatchewan and Alberta. There is quite a colony in Northern Alberta, and quite a colony at Prince Albert.

Mr. EDWARDS: What is the cost?

Mr. ROCHE: There is no cost to the country, over and above the salaries paid to the gentlemen I have named.

Mr. EDWARDS: Are the expenses of those agents paid?

Mr. ROCHE: Their travelling expenses are paid. The expenses do not amount to very much. As a matter of fact, I think they are supplied with passes by the transportation companies. There is no per capita allowance or anything of that kind.

Mr. LEMIEUX: From the explanations given by the minister, it would seem to me that the department spends very little in what I consider to be a splendid field for excellent immigration. Of course, it is always good policy to get the best class of immigrants for Canada. I have frequently heard it admitted on the floor of this House that the best immigrants who have settled in the West are those who came from the United States. The best amongst those American immigrants ought to be our own people—the Canadians who have gone across the boundary line years ago to settle in the United States when times were hard in Canada. A Canadian visiting the New England States is amazed to find so many Canadians. One would find hundreds and indeed thousands of Canadians at the Canadian clubs in and around Boston. As a matter of fact they say Boston is only an annex of Nova Scotia. There are thousands

of Canadians, and especially French Canadians, around Lowell, Lawrence, Holyoke, Springfield and other cities in the New England States. I am told there are over 30,000 Canadians in Chicago; and there are large numbers of Canadians in Philadelphia, Buffalo and Cleveland. If the department could bring those Canadians back to Canada, certainly it is the best policy to follow, and the country ought to congratulate the Government on the large number of Canadians who have been induced to return. The latest statistics show that there are nearly one million French Canadians in the United States. Some years ago, in company with the then Speaker of the Senate, Hon. Mr. Dandurand, I had the honour to represent the Dominion of Canada at the semi-centennial celebration of the Sault Ste. Marie canal, in the state of Michigan. We addressed a gathering of perhaps five thousand or six thousand people, and we had to speak in French as well as in English, because of the large number of French Canadians present. All those French Canadians are the sons of farmers, and are excellent farmers themselves when they return to the land. It seems to me it is good policy on the part of the department to induce those farmers to return to Canada. If my hon. friend has travelled through the valley of the St. Lawrence in the province of Quebec, he will have noticed that the farms are already occupied, and those long narrow strips are not sufficient to maintain large families, so the sons emigrated, and now when they return to the land it is quite natural they should go to the West, where there are such immense domains for those who have any farming propensities. I am told there are excellent colonies of these French Canadians in the West. Some years ago a gentleman brought from the United States several hundred French Canadians and founded two colonies, and there are some of them settled in the Peace river country. I commend that policy to my hon. friend and I hope he will bring back many more thousands of French Canadians from the United States.

9 p.m.

Seed grain to settlers on unpatented lands in the provinces of Manitoba, Saskatchewan and Alberta, $100,000.

Mr. OLIVER: Will the minister be good enough to explain this item?

Mr. ROCHE: In the early part of August last year there was a very heavy frost in the Peace River country which destroyed much of the crop, and it was represented to the department this spring that many homesteaders there could not seed their lands. The department sent in officers who visited the different points in the Peace River, Grande Prairie and Spirit River country, in co-operation with officers from the Provincial Government of Alberta. The Provincial Government supplied seed to those needy farmers who had their lands patented and the Dominion Government supplied it to homesteaders. Sufficient good seed was found among some of the farmers in that country to supply all needs, so that we avoided the expense of shipping grain in.

Mr. OLIVER: What amount was supplied by the Provincial Government in the Peace River country?

Mr. ROCHE: We have no record of that.

Mr. OLIVER: And what amount of this money?

Mr. ROCHE: We have not it differentiated as to the particular portions of the country. The bulk of it was supplied to the Peace River farmers.

Mr. McKENZIE: Reverting to the item of salaries, how many persons connected with the Immigration Department in North Sydney will participate in the proposed increase, and who are they?

Mr. ROCHE: We have an agent named Dooley at North Sydney who receives $1,100, so that he will not receive the $100 given to those receiving less than $1,000. There is a medical inspector who receives $1,000.

Mr. KYTE: Has there been some difficulty recently with regard to Newfoundlanders wishing to return to their country though the port of North Sydney?

Mr. ROCHE: There was some difficulty because of the Order in Council passed to prevent men of military age leaving Canada. An appeal was made in the case of Newfoundlanders, and I gave instructions to allow them to go to their own homes.

Mr. DOUGLAS: Was the seed supplied in Northern Alberta largely barley, or was it wheat, oats and barley, and what prices were paid?

Mr. ROCHE: Wheat, oats, barley and flax. We supplied 21,712 bushels of wheat at an average cost of $1.76 per bushel; of oats, 42,486 bushels, at an average cost of 67 cents; of barley, 1,696 bushels, at an average cost of $1.03 per bushel; and of flax, 533 bushels, at an average cost of $2.93 per bushel. As a matter of fact, most of the farmers purchased the seed from their neighbours.

Mr. DOUGLAS: I understood that in certain sections the homestead inspectors looked after the distribution of the seed grain, which largely consisted of oats in that locality, in the district west of Edmonton. Very little wheat went into that country. I understood that the average price paid for oats was over 75 cents per bushel.

Mr. ROCHE: I think the hon. gentleman is probably correct in regard to the oats that were purchased. A very trifling quantity of wheat was distributed in that district. I do not know the price paid in that locality, but I was quoting the price paid on all these distributions.

Scientific Institutions—Department of the Interior—Astronomical Surveys—To pay W. Simpson for special services performed at the Dominion Astronomical Observatory from May 1 to October 31, 1916, inclusive, $500.

Mr. ROCHE: This is an item to pay to Mr. W. Simpson, who was the assistant to the late Dr. King. An item was voted every year of $1,000 for payment for these particular duties. After Dr. King's death the duties were performed by Mr. W. Simpson. It is not an additional sum, but the balance of Dr. King's vote.

Mr. OLIVER: Who is discharging the duties performed by the late Dr. King?

Mr. ROCHE: Dr. King had a triple position. He was chief astronomer, chief commissioner of the Geodetic Survey and chief commissioner of the International Boundary Survey. There are very few men qualified technically to occupy the triple position which he occupied. He was a man of superior accomplishments and attainments, and it is most difficult to fill his position. However, in our treaty with the United States there was a provision that, in the event of the death of this officer, the position should be filled forthwith, and Dr. King's position on the International Boundary Survey was filled by Mr. J. J. McArthur, who was second in command, or, really, in command, of the field of the Geodetic Survey. He was appointed to the Boundary Survey, and he is also acting head of the Geodetic Survey. No appointment has been made to the position of chief astronomer as yet.

Mr. OLIVER: Might we express the hope that, under all the circumstances, in the future the expenditures in the Astronomical Survey Department will show a less rate of increase than they have through the past year?

Dominion Lands and Parks—Salaries of the Outside Service—further amount required, $20,000.

Mr. ROCHE: This is to increase the salaries of the Dominion Lands Branch, in the outside service, similar to that in the Immigration Service, and with a similar increase to the inside service; that is $100 increase per year to all those receiving a salary of $1,000.

Mr. McKENZIE: Is that increase continued from year to year?

Mr. ROCHE: No, not from year to year, it was an increase for this year.

Mr. McKENZIE: I suppose some of them get more than others?

Mr. ROCHE: Yes, some receive $65 a month, some $50 and some $55.

Mr. McKENZIE: But the increase would be proportionate to the salary they are receiving.

Mr. ROCHE: Yes. Of course increases do not apply to all of them.

Dominion Lands and Parks—Salaries of the commissioners to be appointed under the Soldiers' Settlement Act of 1917 to assist returned soldiers in settling upon the land, $16,000.

Mr. ROCHE: This is to cover the salaries of the three commissioners to be appointed under the Soldiers' Settlement Bill which passed Parliament a few weeks ago, in which it was provided that three commissioners should be appointed for the administration of that Act, the chairman of which was to draw $6,000 per annum, and the other two commissioners $5,000 each.

Mr. DOUGLAS: Have these two commissioners been appointed yet?

Mr. ROCHE: No, the Bill has not yet received the Royal Assent.

Mr. DOUGLAS: Has the minister any idea who they might be?

Mr. ROCHE: Not the slightest. but I can assure my hon. friend they will be excellent men, because it is of great importance they should be.

Mr. DOUGLAS: Under no circumstances would they be partisans?

Mr. GRAHAM: The Union Government would appoint them?

Mr. ROCHE: I will not say too much about it, because perhaps I may not have much to do about the appointment.

Mr. McKENZIE: Six thousand dollars seems a large salary for a position of that

kind. You require a person who knows the work well, and who would know the best place to settle these men and give them practical assistance, but it does not follow that the kind of man who usually gets $6,000 salary is the man for that sort of job. A judge of the Supreme Court gets $6,000, but he would be a very poor agent to settle soldiers in the Northwest. He would not have the qualifications for that kind of work. There may be a man who will earn the money, but it seems to me it is not the class of work that calls for such a high salary as $6,000 a year, which I suppose would carry travelling expenses, and other disbursements with it. I would like the minister to think over it, and see if, in view of present conditions, he could not get a man to do that work just as well as it could be done, with a smaller salary than $6,000 a year.

Mr. ROCHE: When the Soldiers' Settlement Bill was under discussion in the House, it was impressed upon me by hon. gentlemen on the other side of the House how very essential it would be in order to make a success of this scheme, to have first-class men appointed. It was stated particularly by the hon. member for Saskatoon (Mr. McCraney) that the success of this scheme largely will depend upon the personnel of the commission. It will be difficult to get a first-class man, without paying a good salary, because it is not a life job, like a judgeship, and it will take whoever we may appoint away from his ordinary avocation in life for the time he has to devote to it. My own idea is that the soldiers should have the nomination of one of these commissioners. They have asked for that privilege, and I think it is a reasonable request. The soldiers should be made jointly responsible for the administration of the Act.

I am satisfied that amongst returned soldiers could be found men who would fill a place on this commission to the satisfaction of the soldiers and of the country as a whole. It is essential that one of the men should be a trained and experienced agriculturist, and that the other should be a financial man who has had considerable experience in the lending business. As the position will not last a lifetime, it is desirable that the salaries of both commissioners shall be commensurate with the duties to be performed.

Mr. McKENZIE: If you engage an educationalist or a man high in some profession to take up work of this kind—to deal with lands and new settlements in the West—it may be a new field of activity for him; he may have a good deal to learn. On the other hand, I would think that in the minister's department there would be men whose experience and training in connection with lands, settlement in the West and immigration would make their services exceedingly useful. I would suggest that he look over the list of men in his department whose experience and training qualify them for these positions.

Mr. OLIVER: Can the minister give the serial number of this particular commission in the list of those which have been appointed since the Government took office?

Mr. ROCHE: This one is not yet appointed.

Advance to soldiers settling upon the land, and cost of administering the Soldiers' Settlement Act, 1917, including clerical assistance, $2,500,000.

Mr. LEMIEUX: Has the minister received any application for advances under the Soldiers' Settlement Act?

Mr. ROCHE: Yes, a number of applications have been received. We are awaiting the assent of His Excellency to the Bill and the appointment of the commission to administer the Act. We have put this amount in the Estimates with the idea that it will cover advances to those who locate on the land during the first year. We hope that we shall have to ask for more next session, because the larger the number of soldiers locating on the land the better for the country, as well as for the soldiers themselves.

Mr. OLIVER: Has the Government taken up the suggestion that I made on a previous occasion—that of expropriating unoccupied and unused lands contiguous to railways?

Mr. ROCHE: Some consideration was given to that matter; some soldiers' deputations presented that aspect of the case to the Government by way of resolution of returned soldiers' associations. After discussing the matter with representatives of returned soldiers who waited upon myself and other members of the Government, we put this before them: in view of the fact that we do not know how many soldiers may desire to locate upon land, it would not be desirable for the Government at this time to expropriate a large acreage of land and incur the expenditure that would be involved in such a transaction. Under present conditions, if the soldier does not desire to go on free homestead land in the

western provinces, he has the opportunity of purchasing lands in any part of the country, and we will assist him financially to purchase or equip the land. We suggested that that would be much better than our buying the land, because if we bought the land some soldiers might be satisfied and others dissatisfied. Some might not care to locate in a particular province or in a particular part of a province. We suggested that, at any rate during the first year, any soldiers who had a little capital of their own and who desired to purchase land near transportation facilities and in a vicinity where population was comparatively dense might avail themselves of the privilege of selecting their own land and of receiving assistance from the Government by way of loan.

Mr. OLIVER: The limit of assistance to be that fixed by the Act?

Mr. ROCHE: That fixed by the Act.

Mr. OLIVER: In the case of the purchase of land, as I said on a previous occasion, the Government would be safe enough in making additional advances within the value of land that would give sufficient security. There would be no danger of loss to the Government if they made some additional advances towards the purchase of the land so long as they kept within the margin of value.

Mr. SINCLAIR: It would be interesting to know the terms upon which the minister proposes to make these advances. What will be the rate of interest and how much will be advanced to any one person?

Mr. ROCHE: That is provided in the Bill. The interest is 5 per cent and the maximum amount to be advanced to one applicant is $2,500.

Mr. ROSS: Was the rate of interest specified in the Bill?

Mr. ROCHE: Yes.

Administration of the Northwest Game Act and the Migratory Birds Act, $10,000.

Mr. OLIVER: I am not familiar with the terms of the Migratory Birds Act, but I am inclined to believe that if this expenditure is intended to be applied to the enforcement of the Northwest Game Act, it is hardly a necessary expenditure, owing to present conditions.

To pay expenses connected with the moving of residences at Frank, Alberta, $5,000.

Mr. OLIVER: Is that matter still under consideration?

Mr. ROCHE: To pay expenses connected with the moving of residences at Frank, Alta. (Revote), $5,000.

The sum of $30,000 was voted in the Supplementary Estimates for the fiscal year 1912-13 for this service, but as only a very small amount had been spent in that year, part of that sum was revoted in the fiscal years 1913-14, 1914-15 and 1915-16. No expenditures in this connection were incurred during 1916-17, but the secretary-treasurer of the town of Frank, Mr. T. Wilson, informed the department that the sum of $5,000 will probably be needed during the fiscal year 1917-18, and the same is accordingly asked as a revote. The sum of $20,150.96 has been paid up to this date, so that there is still a balance of $9,849.04 to be expended out of the amount originally voted.

In the spring of 1903 a landslide from Turtle mountain took place entailing the loss of seventy lives of people in the town of Frank, Alberta, together with the destruction of a large amount of property. According to recent observations, the danger of another landslide was found to be still more threatening, and it was decided to move the buildings from their present location to a safer site. A statement of the amounts of the contracts for moving the buildings has been prepared by Mr. Sterling who is looking after the interests of the provincial government, and the total cost will be $69,220, to be borne as follows:

By the Dominion Government	$30,000
By the Provincial Government	20,000
By the owners	19,220

This is the revote of the balance of the amount to be expended by the Dominion Government.

Mr. OLIVER: Is it intended to make a clearance of all the houses in danger, or is it just a matter left to the judgment of the owners of the houses?

Mr. ROCHE: The idea was to have all the houses cleared away from the old site to a safe site.

Mr. OLIVER: Is this a compulsory clearance, or is it a clearance in the discretion of the occupants?

Mr. ROCHE: I do not think there was any compulsion further than persuasion, but I think generally the owners have agreed to the movement. I do not know of any that have remained on the old site to run the risk of another land slide at some future date. We have had no necessity for using compulsion.

Mr. OLIVER: If houses are left in the vicinity of a mine, it is quite likely that people will occupy them, and, of course, the lives of these people will be in danger.

Mr. ROCHE: We have done our utmost to have the houses moved, and we are not financially liable if houses are destroyed.

Mr. SINCLAIR: Why are we moving the houses at all? Can the minister be induced to do some house moving in any other part of Canada than Alberta? What is the explanation of our paying for the moving of houses?

Mr. ROCHE: Perhaps the hon. gentleman did not take cognizance of the statement of the case that I made. This was an arrangement made between the Provincial Government of Alberta and the Dominion Government that they assume joint responsibility along with the owners for moving the houses away from a site which it was considered was dangerous for residence. Frank is a mining town, and it is absolutely necessary to have these houses moved away, because if they were allowed to remain there further loss of life might occur. The owners were not in a financial position to move their houses, and therefore, at the request of the Provincial Government, the Dominion Government and the Provincial Government assumed joint responsibility, the Dominion Government, the Provincial Government and the owners bearing a fair proportion of the cost of removal.

Mr. McKENZIE: In that part of the country from which I come, if a man starts a farm in a green forest, he has to make a clearing by cutting down the trees and he has to build a house. If he wants seed, he has to buy it. If he has not sufficient money, he has to go to the mines in order to earn enough money to buy seed. I find, however, that, in the West, not only does the Government build houses for the men, but if anything happens to a house, they will move it to another site, and if Providence happens to bring on a landslide, they will fix the landslide. If a man runs short of seed, they will buy it for him and, I suppose, put it into his barn. I am afraid our people in the East will find this out, and there will then be no need for any agent, the people will flock to this land of Canaan presided over by the Minister of the Interior. Has the minister any particular right to take our money and apply it to the removing of houses and the buying of seed without first asking our leave? That is a very nice thing to do, but the people in my district will be looking for the same privilege.

Mr. ROCHE: Parliament has already sanctioned this.

Indians—New Brunswick—to provide amount to repair road through the Edmunston Reserve, $600.

Mr. ROCHE: There was a mile of the municipal road passing through the Indian reserve, and it is being built jointly by the municipality and the department. The municipality builds the road; the department assumes a portion of the cost.

Civil Government—Department of the Interior—to promote the director of the Dominion Astrophysical Observatory to first division, subdivision A; to promote the assistant astronomer of the Dominion Astrophysical Observatory to second division, subdivision A, $5,400.

Mr. ROCHE: The sum is to promote Dr. J. S. Plaskett, D.Sc., F.R.S.C., from Subdivision B to Subdivision A of the First Division. Dr. Plaskett is in receipt of a salary at the rate of $2,800 per annum. He was appointed by an Order in Council dated April 10, 1917, director of the Astrophysical Observatory at Victoria, B.C., and, upon assuming his new duties, it is only fair that his salary be increased in accordance with the importance of the position to which he has been assigned. As the promotion of Dr. Plaskett is to be made above the minimum of Subdivision A of the First Division, it is necessary that the amount be specially provided in the Estimates.

Mr. OLIVER: The astronomical activities of our Government have taken a new phase, and, as usual, the new phase has added to the expenditure. I made a plea a little while ago with the view that changed conditions would tend to reduce expenditures in this particular department, but it appe rs that my hope was vain and we are having the usual increase of expenditures in this connection. We are, of course, all interested in the stars, but when it comes to a point that salaries are continually being boosted until there is no limit but the stars, that is not exactly the proper policy for war times.

Lighthouse and coast service—Amount required as compensation to G. F. S. Townsend for the second-hand compressors sold at auction in 1914 by agency of department in Halifax, which were inadvertently broken in yard before delivery to purchaser, $2,000.

Mr. HAZEN: The facts are these. In September, 1914, the department sold through its agent at Halifax to Mr. Frederick S. Townsend, of Halifax, for the sum of $748, which amount was paid to the

department, eleven second-hand compressors, which were reported by the chief engineer's branch of the department to be of no further use in the service. Mr. Townsend claims he succeeded immediately after the purchase, at considerable expense in travelling, etc., in selling one of the compressors for $500, and had the sale of three others well advanced at a profit of about $900. When Mr. Townsend came to obtain delivery of the compressors, he found that employees of the Department of the Naval Service, who required some scrap in an emergency, had dismantled a number of the compressors and made use of parts, not knowing that they had been disposed of and were not the property of the department, and Mr. Townsend declined to accept delivery and requested to be reimbursed the amount of the purchase price, also loss of profit on sales, travelling expenses, interest on outlay and incidental expenses incurred. At that time both the Marine and Fisheries Department and the Naval Service were occupying the Naval Yard at Halifax. After the outbreak of war the yard was required for naval purposes entirely, and the Department of Marine and Fisheries was moved across to the other side of the harbour. The Naval Department, requiring some junk for certain purposes, took these compressors, not knowing that they had been sold to Mr. Townsend. After considerable correspondence, the department, on the 14th of July, 1916, offered Mr. Townsend, without prejudice, $1,500 in settlement of his claim, which offer he declined to accept, claiming that his loss was upward of $3,000, but on discussing the matter recently with the officers of the Department of the Naval Service and the Department of Marine and Fisheries he agreed to accept $2,500 in full settlement.

The purchasing agent considers that Mr. Townsend has a good and valid claim, but that in his opinion $2,000 would fully compensate him for all his loss, and he recommends the payment of this amount to Mr. Townsend. I have a report from the deputy minister concurring in that, and having looked into the matter myself, I think it is a fair and equitable settlement.

Mr. A. K. MACLEAN: Who is Mr. Townsend?

Mr. HAZEN: He is a junk dealer in Halifax. I do not know him personally, but I have met him once, and once only, and that was when I was in Halifax in December last with Mr. Bennett. Mr. Townsend called on me then about the matter.

Mr. SINCLAIR: How much did he pay for the compressors?

Mr. HAZEN:: He paid $748. We offered to settle for $1,500, but he refused that and asked for $2,500. After looking carefully into the matter, the purchasing agent thinks that $2,000 would be a fair settlement. This meets with the approval of the deputy minister, and also has my concurrence.

Mr. A. K. MACLEAN: Did he buy these machines as junk?

Mr. HAZEN: Yes.

Mr. A. K. MACLEAN: He made a pretty good profit on them.

Mr. HAZEN: He made about $1,300. When the compressors were sold, tenders were asked for, and Mr. Townsend's was the highest.

Mr. SINCLAIR: It seems to me somebody has been very careless. In the first place, the goods were sold very much too cheap. If it turns out they are worth $2,000 they should not have been sold for $748. Having been sold, they should not have been taken by the Naval Department, but should have been set aside for the purchaser. Who was responsible for this blunder?

Mr. HAZEN:: I admit there was carelessness about the matter. The goods were sold by Mr. Harvey, who is our agent at Halifax and has been for a good many years past. I am not saying he was to blame. He represented to us that $748 was the best figure that could be got, and it was on his recommendation and report that the goods were sold. The trouble occurred through the two departments using the yard at that time. The compressors were lying in the yards until Townsend should take them, and the naval people, who wanted them for the purposes I have mentioned, thought they were junk and used them. I do not think they should have taken them without the consent of the agent of the Marine and Fisheries Department. There is no doubt in my mind that this is a legitimate claim, and that being the case, there is nothing to do but settle on the best terms possible.

Compassionate allowance to Mrs. Josephine Hilyard, widow of the late Charles Hilyard, formerly keeper of Head Harbour light and fog alarm, N.B., who was drowned on the 3rd

February last when proceeding from the fog alarm to the dwelling connected with the light, while in the performance of his duties, $500.

Mr. HAZEN: The facts are these: On the 3rd of February last the late keeper left his house at 1 a.m. to go to the fog alarm station, and after having performed his duties left the station at 5 a.m., and was drowned on his way back home. There was a gully between his dwelling house and the lighthouse, which at high tide was full of water. Mr. Hilyard used to cross on a ledge of rock, and this time he fell in and was drowned. He was employed in the department for about ten years, and during that time proved a very efficient employee, doing some repairs, etc., to the station which under ordinary circumstances would have required the sending of men from St. John agency to carry on the work, and thus saved hundreds of dollars to the department. The late keeper left a widow and one child seven years old. The widow is in poor health and poor financial circumstances.

Mr. McKENZIE: I think she should have been given more.

Mr. HAZEN: I am disposed to agree with my hon. friend. As we are giving a compassionate allowance I think it ought not to be less than $1,000. I am not quite sure as to the procedure, but if I may, I beg to move that this amount be increased to $1,000.

The CHAIRMAN: Another Estimate should be brought down.

Mr. HAZEN: I can bring down another Estimate.

To pay expenses of suit, etc., in the case of McGillivray vs. Kimber, Sydney Pilotage authority, $2,821.05.

Mr. HAZEN: My hon. friend from North Cape Breton (Mr. McKenzie) is familiar with this item. I have discussed the matter with him. The facts are these: In April, 1912, the pilotage authority of Sydney dismissed one of its pilots, John A. McGillivray, for misconduct. In March, 1914, McGillivray brought action against the pilotage authority for wrongful dismissal on the ground that the authority had not proceeded properly. On April 22 following, the action was tried at Sydney before Mr. Justice Drysdale who gave judgment in favour of the plaintiff for $1,800 damages. An appeal was taken from that judgment. as the action of the pilotage authority in dismissing the pilot was upheld by the Department of Justice, which accordingly appealed the case to the Supreme Court of Nova Scotia. The Supreme Court of Nova Scotia unanimously reversed Mr. Justice Drysdale's judgment, and dismissed the action. The plaintiff then appealed to the Supreme Court of Canada, and this appeal was allowed and the original judgment of Mr. Justice Drysdale was confirmed. The agent of the Department of Justice who had charge of the case, Mr. T. S. Rogers, K.C., of Halifax, urged an appeal to the Judicial Committee of the Privy Council, and permission for such an appeal was actually obtained on condition that the appellants pay all costs, including those of the respondent as between solicitor and client, whether the appeal was successful or not. As the amount of the judgment was only about $1,800, and the costs would have come to nearly four times that amount, it was hardly considered good business to go on with the appeal. so the appeal to the Judicial Committee of the Privy Council was not proceeded with owing to the very large expense it would entail and to the advice of the Deputy Minister of Justice that, while his own view of the case was unchanged, the success of an appeal to the Judicial Committee of the Privy Council was not free from doubt. The total amount of judgment and costs is $2,821.05, which I am asking Parliament to vote.

Mr. A. K. MACLEAN: The amount to be voted includes the amount of the verdict?

Mr. HAZEN: It includes the amount of the verdict and the costs.

Mr. SINCLAIR: Are we responsible for that?

Mr. HAZEN: We considered, after consultation with the Department of Justice, it was only fair and right that we should pay the amount.

Mr. SINCLAIR: I suppose the pilotage authority has no funds?

Mr. HAZEN: No.

Mr. SINCLAIR: Has it any control over the pilot?

Mr. HAZEN: It is like most of the pilot commissions, it can only pass by-laws and so on, and with the approval of the Governor in Council it puts those by-laws into effect. It conducts examinations of pilots, etc.

Mr. SINCLAIR: Has it any funds?

Mr. HAZEN: I am not aware that it has.

Mr. McKENZIE: I am quite familiar with this pilotage commission, and they have no property or assets. The pilots are paid by dues which they get from the ships and which are divided up between them at the end of every month.

10 p.m.

Ocean and River Service—Amount required to pay claims of Merryfield & Co., $242.23, and G. J. Frizzell, of Prince Rupert, B.C., $585.03, for provisions supplied to defaulting steward Alex. B. Gordon of the C.G.S. "Estevan," $827.26.

Mr. A. K. MACLEAN: What is the meaning of that?

Mr. HAZEN: My hon. friend will perhaps remember that at several other sessions we have had small amounts like this. Contracts were entered into with the stewards on board the Government steamers to supply meals to the officers and to the men at so much per meal. The "Estevan" is a buoy steamer belonging to the department, in the service on the Pacific coast. The contract was entered into with the steward, who unfortunately did not pay his bills to the merchants with whom he dealt. The merchants always held that as he wore a government uniform, and was on a government boat, the Government was responsible for his bills. Some years ago the system prevailed by which the department paid for everything; the steward contracted the bills, and the department paid them. It was found that that was a very expensive method, and it was changed to the system of entering into a contract with the steward at so much per meal. This effected a very large saving. When the change was made we put up notices in the different ports where these steamers were likely to be, to the effect that the Government was not responsible for bills contracted by those stewards, but in some cases these notices escaped the attention of the merchants. In some instances we took bonds for the faithful performance by the stewards of their duty. We could not get any guarantee company to accept the responsibility, so we had to take personal bondsmen. Those bondsmen are reported on by the agents of the department in the different places, and as far as possible we endeavour to get bondsmen who are satisfactory. We have proceeded against some of these bondsmen and they paid up. Unfortunately, in this case, the bondsmen met with business reverses and were not able to pay the amount.

Mr. SINCLAIR: Why should not the captain do the business?

Mr. HAZEN: The contract is made with the steward, who purchases the supplies. The captain has to look after the management and navigation of the ship.

Mr. SINCLAIR: I understand that, but, usually in the ship business the captain has control of the whole thing.

Mr. HAZEN: That has not been the practice in the Marine Department for many years.

Mr. A. K. MACLEAN: The old system has been abandoned.

Mr. HAZEN: It was abandoned because it was found to be a most extravagant practice, which led to a great deal of waste. The officials of the department were all against it, and the result of the change has been very satisfactory, and has effected a very considerable economy.

Mr. SINCLAIR: What became of the defaulting steward?

Mr. HAZEN: He cleared off, to the United States, I think .

Mr. SINCLAIR: Was he not prosecuted?

Mr. HAZEN: We placed the matter in the hands of the Department of Justice, asking that the necessary action be taken to recover the amount of these claims from the steward's sureties under the bond. These sureties were Annie Janet Gordon and Mary E. Luxton, respectively wife and sister-in-law of Gordon. Action was brought and judgment registered against the real estate in Victoria belonging to the defendants, but it was discovered that there were mortgages outstanding against the real estate. Perhaps under normal conditions there might have been a surplus after satisfying the mortgages, but there was a depression in the value of real estate all over the country, as my hon. friend knows, and the amount of the mortgage was practically the value of the real estate.

Mr. SINCLAIR: Will the minister say how the steward gets the money? Does the captain furnish the steward with money to purchase the supplies?

Mr. HAZEN: The steward is the contractor. His contract is fifty cents a meal for men and seventy-five cents for the officers. He is paid by the department.

Mr. McKENZIE: Is any precaution taken to guard against any recurrence of these troubles?

Mr. HAZEN: Yes. One precaution is to publish at the ports where the vessel is likely to call an anouncement that the department will not be responsible for any debts contracted by the steward. We also try to secure a bond in the case of such steward. We tried to have a company do this but could not find one willing to undertake this class of business, so we have had to take individual bonds.

Mr. McKENZIE: The minister will see how easy it would be for a steward to defraud merchants in a town. For instance, in my own town if a man in uniform from one of these ships entered a store he could have anything he wanted, as the storekeeper would think that the Government would be responsible.

Mr. HAZEN: We take all the precautions we can.

Arts and Agriculture, purchase of seed grain —Governor General's warrant, $500,000.

Mr. BURRELL: The first warrant was issued on October 7, 1916, before the opening of the session, for $400,000. The second for $800,000 was issued on December 14. It was then found that we were having large demands, not only from the West, but also from Eastern Canada, and that we would likely require more money for oats, so on March 23, during the recess, this Governor General's warrant for $500,000 was issued. We have now advanced $1,400,000 to the commissioner at Regina, the head of the Seed Purchasing Commission, and the total purchases amount to nearly that amount. We have turned into the Receiver General $1,401,299 up to August 21, and really have a surplus on hand. We shall make a considerable profit out of the transaction, although if the market had gone the other way we would have lost, as we sold at the purchasable price plus the cost of bagging, cleaning and handling. We have a surplus of 50,000 bushels of oats and some wheat which we are selling at commercial rates.

Mr. SINCLAIR: Why were the Governor General's warrants issued at a time when Parliament was really in session? Parliament met in January, and in the following March $500,000 was drawn by Governor General's warrant. The minister must have known while Parliament was sitting that this money would be required.

Mr. BURRELL: No, it was only after the most thorough investigation by Mr. Clark, the seed commissioner, that we found that the demand would be so strong that we would need the additional warrant.

[Mr. McKenzie.]

Mr. SINCLAIR: Why did not the money drawn in September by Governor General's warrant appear in the main Estimates?

Mr. BURRELL: As a matter of fact, I find that it appeared in the Supplementary Estimates of the previous year, 1916-17.

Mr. OLIVER: The full explanaion given by the minister will be a sufficient warrant for the questions and the insistence of the hon. member for Moosejaw (Mr. Knowles). It was an important transaction, and it was very desirable that the House should be informed.

Mr. BURRELL: I thoroughly appreciate that.

Mr. McKENZIE: Have all moneys advanced for the purchase of grain been returned?

Mr. BURRELL: Yes, and a little in addition. We shall make a profit on the transaction.

Civil Government—Department of Agriculture—To provide for increase in salary of the assistant deputy minister and secretary, and assistant deputy minister of patents to $4,000, $250; to provide for the promotion of M. J. Morison from Third Division, subdivision A to Second Division, subdivision B, $1,250; to provide for three clerkships in First Division, subdivision A, $8,400—$9,900.

Mr. OLIVER: Is it usual to make provision for the increase of civil servants in the Supplementary Estimates?

Mr. BURRELL: Mr. Morison's case was not taken into consideration as it should have been in the main Estimates. We thought Sir Thomas White's Bill might have included this officer. He has been in the employment of the Government since 1890, and was placed in subdivision A of the Third Division at $1,100 as a third-class clerk.

He had an exceedingly good record, and, as he obtained his clerkship by Order in Council in 1890, through being specially named in the estimates submitted to Parliament the previous session, he does not come under the provisions of Sir Thomas White's Bill for promotion. It seems to be one of those cases where a man has had an absolutely good record, but is not qualified under the Act, and we simply ask by this increase to put him where he would have been. I think the officer of the department says he is a specially deserving official, and has been in the department a long time. Without this procedure he could not get this increase.

Mr. McKENZIE: I want to bring to the notice of the Minister of Marine and Fisheries a precedent for the suggestion I made a few minutes ago, that we should increase the compassionate allowance of that woman in New Brunswick. I find on page 6 of the Estimates that a man lost his life under similar circumstances in the service of the Government, and his widow is getting $1,500. I suppose a man in New Brunswick is just as good as a man in Prince Edward Island.

Canadian Government Railways — rolling stock, purchase of steamers McKee and Drummond—to provide for building of two wooden ships, $26,620,000.

Mr. COCHRANE: This item is for 100 engines and 600 cars.

Mr. OLIVER: The House is very, very thin to consider such a large item. For my own part, I am just as well prepared to consider these large items now as any time, and accept the minister's explanation, but would it not be possible for the minister to select less important items than this one, and put them through, and not take up these large items, which some might desire to discuss.

Mr. COCHRANE: I think there is not a member in the House who does not want more equipment on the railroad. When the main items were being considered I think these items were all explained. We were asked if we had placed orders for these, and we said we had.

Mr. OLIVER: I quite agree that it is a proper proposal to increase the rolling stock, but very few members who take a deep interest in the matter are present. The hon. member for South Renfrew (Mr. Graham) is not here.

Mr. COCHRANE: Let it stand.

Welland Ship Canal—construction—revote, $1,020,000.

Mr. COCHRANE: This is a revote of what was left over last year on the Welland ship canal. There are some accounts to straighten up yet, and I do not think we have used it all. The amount was in the Estimates last year.

Mr. LEMIEUX: Has the work been stopped?

Mr. COCHRANE: Yes. The amount is $1,000,000, but we do not propose to use that.

Railway Subsidy—To the Edmonton, Dunvegan and British Columbia Railway, for a subsidy for a branch line from a point on its line as located, situated near the Spirit River settlement, to and through the Grand Prairie Land District, Alberta, for a distance not exceeding sixty miles; on the same terms and conditions as subsidies were granted in aid of the construction of certain railways as embodied in the Act 3-4, Geo. V., Cap. 46, 1913—revote, $258,797.16.

Mr. COCHRANE: This is a subsidy voted for that road that was built to Grande Prairie last year and the contractor had not completed the road in time to get the full subsidy. I do not know whether he has completed it yet or not. We have not had an examination of it lately, but this is really a revote of last year's amount.

Mr. SINCLAIR: How much of this has been built?

Mr. COCHRANE: It was all built, but not all ballasted, before the Estimates expired last year.

Mr. SINCLAIR: What is the length of it?

Mr. COCHRANE: About 60 miles.

Mr. SINCLAIR: Does it belong to the Government?

Mr. COCHRANE: No, it belongs to J. A. McArthur.

Mr. SINCLAIR: This is a subsidy?

Mr. COCHRANE: Yes, voted last year, and this is only a revote of what had not then been earned.

Mr. LEMIEUX: This is the only railway subsidy this year?

Mr. COCHRANE: Yes.

Mr. OLIVER: The road is built on provincial government guarantee, but owing to the urgency of the case, in the year 1915 it was decided, I believe, by this Government to give a subsidy to aid in the construction of this branch, in order to rush the branch into the Grande Prairie settlement.

Mr. COCHRANE: Yes, there was a large number of settlers in there, they had a considerable quantity of grain, and they could not get it out without this road.

Mr. LEMIEUX: Some people have left the county of Rouville to settle at Grande Prairie, and I have been told that they consider it one of the most fertile regions of the Northwest.

Mr. SINCLAIR: Will this build the road?

Mr. COCHRANE: Yes. He had not finished the road, and had not earned the

money, but we expect he will finish it this summer.

Mr. OLIVER: The road has been in operation since the spring of 1916 to Grand Prairie City. The rails have been laid for the full length, but, as the minister said, the road is not finally completed, and has not been ballasted, and I suppose, on that account, the contractor is not entitled to the subsidy.

Rideau Canal—towards construction of bridge on the Rideau Canal at Pretoria Avenue, Ottawa—revote, $8,000.

Mr. COCHRANE: This is for a bridge in Ottawa. This money was voted last year, and they did not complete the bridge and could not get the subsidy. The justification for the subsidy is this: there was an old bridge there; we had to employ men to open it to allow steamers to go through. They are building a new high level bridge now, and by voting the subsidy we get rid of the annual expenditure.

Mr. SINCLAIR: Does the city pay any part of it?

Mr. COCHRANE: Yes, they pay the larger part of it. We gave $40,000; I think the bridge is to cost something like $160,000.

Compassionate allowance to the widow of the late Andrew Ryan, who was killed while in the performance of his duties as switchman on the Transcontinental Railway, December 22, 1916, $2,000.

Mr. COCHRANE: Ryan was acting as a switchman on December 22 last. It appears that he fell off the car and a train backed over him. He leaves a wife and two children—a boy four years old and a girl nine months old—in very poor circumstances.

Progress reported.

On motion of Hon. Mr. Hazen, the House adjourned at 10.34 p.m.

Saturday, August 25, 1917.

The House met at Three o'clock, the Speaker in the Chair.

A FIXED PRICE FOR WHEAT.

On the Orders of the Day:

Mr. OLIVER: I wish to refer to a matter in regard to which I asked the hon. Minister of Trade and Commerce a question yesterday. Is the fixed price of wheat until August 31 applicable only to the wheat of last year's crop, or is it applicable to new wheat coming forward?

Sir GEORGE FOSTER: Old and new.

[Mr. Cochrane.]

Mr. OLIVER: At what date did that proposition take effect? I want to draw the minister's attention to the fact that on the 24th the cash price of No. 1 and No. 2 Northern wheat in Winnipeg was $2.40, No. 3 Northern, $2.38. In Minneapolis, No. 1 Northern, $2.60 to $2.65, and No. 2 Northern $2.55 to $2.60.

Sir GEORGE FOSTER: The order took effect, as far as the price and inclusion of the new crop is concerned, on the date of the promulgation of the order, somewhere between the 15th and 20th of the month. I forget the exact date.

Mr. OLIVER: It was the date I wanted to get.

Sir GEORGE FOSTER: My hon. friend will remember that I read the orders and they were placed on Hansard about ten days ago.

RELEASE OF THOMAS KELLY.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX: I notice in the Citizen this morning a statement that Thomas Kelly who was sentenced to some two years and a half in the Stoney Mountain penitentiary, on the verdict rendered at the Manitoba Assize Court, has been given ticket-of-leave by the Minister of Justice. Some days ago I asked that hon. gentleman (Mr. Doherty) if any petitions had been received by the Department of Justice, and he answered in the negative. gentleman (Mr. Doherty) if any petitions since, and is there any correspondence in the matter to be laid on the Table of the House? If Kelly has been given a ticket-of-leave on account of his health, I ask that the medical certificates be laid on the Table of the House.

Hon. C. J. DOHERTY (Minister of Justice): I think the hon. gentleman must have misunderstood me, if he apprehended that I had said that there had been no petitions for the release of Kelly. Petitions were received at different times. Since the hon. member referred to the matter on a former occasion, it has been represented to us that Kelly's health was in such a condition that there was actual danger of death. We had previously received representations with regard to his health. Since he has been confined to the penitentiary it has been necessary to hold him under medical treatment all the time, and the penitentiary surgeon, who unfortunately died recently, some time ago expressed the decided

opinion that Kelly should be released. I have not the dates of his last report on the subject, but I think it was in June. He had previously reported in April, and I think even before that, expressing his opinion that Kelly should be released. His last report was to the effect that he would not take the responsibility of his being longer detained, and we caused Mr. Kelly to be examined in March or April, I think, by Dr. Lafleur, of Montreal, who, I think, the hon. gentleman knows, is a very eminent gentleman in his profession, and, as a consequence of his report, we did not feel justified in acting upon the report of the jail surgeon. But quite recently it was reported to us, as I have said, that the prisoner was in such a condition that there was danger of his death. Upon that information coming to us, which came through members of his family, who had been gathered at the penitentiary by reason of his critical condition, I caused the prisoner to be examined by Dr. Popham, of Winnipeg, a physician of very high standing, who, I am quite satisfied, is above any suspicion of expressing an opinion other than his genuine professional opinion. He reported that he found Kelly in bed suffering from gastritis, with a very high temperature—I forget exactly what it was—and rapidly losing in strength; also that Kelly had lost weight really to an alarming extent, I cannot mention just now the number of pounds, and there was no prospect of improvement under existing conditions. Under those circumstances I felt that I should entirely fail in my duty if I did not recommend that Kelly should be transferred to a hospital, where he could receive proper treatment. I made that recommendation and a ticket-of-leave for that purpose was issued. Should Mr. Kelly recover, the question, of course, would remain open as to whether he should not be returned to the penitentiary, or whether further action should be taken. But certainly the circumstances left it beyond doubt, I think, that no other course was open to us that to allow this man to have the treatment that, upon high medical professional recommendation, was considered necessary for the preservation of his life

WELLAND CANAL DYNAMITERS.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX: Some years ago three men were sentenced—

Mr. SPEAKER: Order. If the hon. member wishes to ask further questions with respect to Kelly, I respectfully submit that he should put them upon the Order Paper.

Mr. LEMIEUX: I do not wish to ask with respect to Kelly. Some years ago three men were condemned to long terms for attempting to blow up the Welland canal. I understand that they have been released by the Minister of Justice. Will he say when?

Mr. DOHERTY: One of the men was released by a higher Authority than the Minister of Justice—he died in the penitentiary. The second was released, I could not say accurately when, but I think some two or three years ago. The last one was released, I think, about a year ago. I shall be glad to get the exact dates. The two men were released after having served terms very much longer than those served by men in the Mother Country for like offences whose sentences were also commuted.

Mr. LEMIEUX: They were sentenced to twenty years?

Mr. DOHERTY: Speaking from memory, I think they were sentenced for life.

PRIVILEGE—MR. SINCLAIR.

On the Orders of the Day:

Mr. J. H. SINCLAIR (Guysborough): I rise to a question of privilege. I do not often refer to anything that I find in the newspapers, but when the newspapers get astray to the extent of $350,000,000, I suppose we ought to pull them up and put them right. I have been represented in the Ottawa Journal as saying that if the Canadian Northern Railway Bill went through it would increase the public debt to the extent of $800,000,000. I never made any such statement. I was replying to the statement of my hon. friend from Red Deer (Mr. Michael Clark), that the soldiers were doing a great deal of thinking, inferring that when they came home they would insist on some necessary reforms. I ventured to say in reply that when the soldiers went away the public debt of this country was $350,000,000, roughly speaking; that if we put this Bill through, the public debt when the soldiers returned would be $800,000,000, meaning that there would be an addition of $450,000,000, and not an addition of $800,000,000 as stated by the Journal. The other question was whether that debt was a net debt or a gross

debt. That depends largely on how you look at it. At present the road is not paying interest and running expenses, and I inferred that under public ownership it would not do any better, so that if the people of this country have to tax themselves for the interest on the $450,000,000 we might as well at once add that amount to our net debt, as that is what it would mean. All I have to say about the writer in the Journal is that if he read what was said in Hansard he either intentionally misconstrued what I said or else was too wooden-headed to understand plain English.

MUNITIONS CONTRACT.

On the Orders of the Day:

Mr. E. M. MACDONALD (Pictou): I am sure that many hon. gentlemen have heard from many portions of the country where munitions work is being carried on that instructions have been sent out to discontinue the manufacture of munitions. In various places in my province this word has been received from the Imperial Munitions Board. As it has been said that the financing of this board has been done by this Government, it is a matter of importance that the country should know why it is that the manufacture of shells has been stopped. Perhaps the Minister of Trade and Commerce would tell us, in the absence of the Minister of Finance.

Sir GEORGE FOSTER: I should prefer that the full answer be given by the Minister of Finance or the Prime Minister, but if there be any stoppage of the manufacture of shells in this country or any diminution, as I believe there is to be, it is because the variety of shell the manufacture of which will be diminished or discontinued is not now needed from Canada, as they are able to produce them in sufficient quantities in Great Britain.

Mr. MACDONALD: I should like a fuller statement, because I do not think my right hon. friend's statement is complete.

Sir GEORGE FOSTER: I said I could not make a full statement.

METHOD OF PRESENTING INQUIRIES.

On the Orders of the Day:

Mr. W. E. KNOWLES (Moosejaw): I wish to ask a question of the Minister of Militia. He is not in his place, but as the question would necessitate his referring to the records in his office, I shall place it on Hansard in order that he may see it. I am in receipt of a letter from a correspondent, a constituent of mine—

Mr. SPEAKER: If the hon. gentleman will put his question on the Order Paper the answer will be forthcoming as quickly as if he asked it in the House, inasmuch as, in the absence of the minister, an answer cannot now be given.

Mr. KNOWLES: It is quite in order that I should ask the Government—

Mr. SPEAKER: The hon. member has himself admitted that an answer cannot be forthcoming to-day. I would therefore ask that he should proceed in the regular way.

SUPPLY.

House again in Committee of Supply, Mr. Rainville in the Chair.

Department of Railways and Canals—Canadian Government Railways, rolling stock, $25,000,000.

Mr. COCHRANE: This vote is to provide for the purchasing of fifty engines from the Montreal Locomotive Works—thirty Mikados at $48,750, ten Santa Fes at $56,000, and ten Pacifics at $47,300. Then there are to be purchased fifty locomotives from the Canadian Locomotive Works, Kingston, at $48,750. There are also 6,000 box cars, as follows:

1,000, 40-ton steel-frame box cars purchased from Canadian Car and Foundry Company at $2,417 each; 1,000, 40-ton steel-frame box cars purchased from Eastern Car Company at $2,417 each; 2,000, 40-ton steel-frame box cars purchased from Canadian Car and Foundry Company at $2,647.50 each; 1,000, 30-ton steel-frame stock cars purchased from Canadian Car and Foundry Company at $2,271 each; 1,000, 40-ton steel-frame box cars purchased from the National Steel Car Company of Hamilton at $2,647.50 each.

Then there are fourteen 10-wheel Chicago Great Western Railway second-hand locomotives amounting to $4,748,700 for further purchase of rolling stock that may be required.

Mr. PUGSLEY: What does that rolling stock consist of?

Mr. COCHRANE: Freight cars.

Mr. MACDONALD: Is that for the Canadian Northern or only for the Transcontinental and Intercolonial?

Mr. COCHRANE: What we purpose doing is to use what is necessary on the

Government roads and then distribute the rest where necessary.

Mr. MACDONALD: That means on the Canadian Northern?

Mr. COCHRANE: Yes.

Mr. PUGSLEY: Have those contracts been already let in anticipation of this vote?

Mr. COCHRANE: Contracts for 6,000 cars have been let.

Mr. PUGSLEY: When are deliveries to take place?

Mr. COCHRANE: They are all to be delivered before 1st February next. The deliveries are to start in October.

Mr. SINCLAIR: Have those cars been ordered in Canada?

Mr. COCHRANE: Yes.

Mr. SINCLAIR: What is the price of a box car now, and what was the price before the war?

Mr. COCHRANE: For the same style of car, the price before the war was about $2,200; the price now is $2,647.50.

Mr. OLIVER: Did I understand the minister to say that a part of this rolling stock was intended to supplement the present rolling stock of the Canadian Northern?

Mr. COCHRANE: I said that we would use what was necessary on the Government roads and then distribute the rest where it was most needed on the Canadian Northern and the Grand Trunk Pacific. There is a great shortage of equipment on all the railways.

Mr. MACDONALD: The minister's present action is in accordance with the position taken by the hon. member for South Renfrew (Mr. Graham) some two years ago, that we should order more rolling stock. The minister has put off doing so to a very late date, and I question whether he will be able, in view of the difficulty of getting raw material, to secure delivery of those cars by the first of February. The minister states that he has purchased some second-hand rolling stock in the United States. From whom was that purchased, and what was the price per locomotive and per car?

Mr. COCHRANE: We purchased fourteen second-hand locomotives from the Chicago Great Western railway at $12,300 each, or about one-quarter of what we are paying now.

Mr. COPP: Can the minister give us the dates of the contracts for these locomotives and cars?

Mr. COCHRANE: The first contract was let in May; the last was let about a month or six weeks ago.

Mr. PUGSLEY: Were any second-hand cars bought in Chicago?

Mr. COCHRANE: Not in Chicago, in Ohio.

Mr. PUGSLEY: What were they?

Mr. COCHRANE: We bought 400 steel cars in Ohio at $450 each. I am sorry to say we have received only 100 of them. and there is a little difficulty in getting the balance.

Mr. MACDONALD: In addition to that, some second-hand passenger cars were purchased?

Mr. COCHRANE: That was last year.

Mr. MACDONALD: No second-hand passenger cars are to be purchased out of this appropriation?

Mr. COCHRANE: No.

Mr. MACDONALD: Is there any provision for the purchase of second-hand passenger cars?

Mr. COCHRANE: Not this year.

Mr. PUGSLEY: Is the Government building any rolling stock in Canada? We have most excellent workshops at Moncton; we have workshops at Quebec in connection with the Transcontinental——

Mr. COCHRANE: They are not equipped.

Mr. PUGSLEY: Then they ought to be equipped. At Transcona we have very large workshops. Is the Government engaged in building any locomotives or cars at any of those places?

Mr. COCHRANE: We are building some vans at both Moncton and Transcona.

Mr. PUGSLEY: Those would be conductors' vans.

Mr. COCHRANE: Yes, and we are doing repairs. It is difficult to keep up with the repairs on the system at the present time.

Mr. PUGSLEY: What are the Transcona shops being used for now?

Mr. COCHRANE: For repairs, not only for the Government railways, but for the Grand Trunk Pacific.

Mr. PUGSLEY: It was rumoured some two years ago, or perhaps later than that,

that a portion of the Transcona shops had been leased to a company for the manufacture of shells. Is that correct?

Mr. COCHRANE: Yes.

Mr. PUGSLEY: Are shells being manufactured there?

Mr. COCHRANE: Yes.

Mr. PUGSLEY: Does that interfere with the construction of locomotives and cars?

Mr. COCHRANE: No.

Mr. PUGSLEY: About what portion of the Transcona shops are being utilized for building these vans and for repair work for the railway, and what portion for making shells?

Mr. COCHRANE: A very small portion is being used for making shells. I have not the exact floor space.

Mr. PUGSLEY: Who are the lessees of that portion of the Transcona shops?

Mr. COCHRANE: A Montreal concern. I do not know who they are.

Mr. PUGSLEY: Was the contract made with the Department of Railways?

Mr. COCHRANE: No, it was made with the Grand Trunk Pacific before it was taken over.

Mr. PUGSLEY: Who pays the rent and what rent is being paid?

Mr. COCHRANE: I have not that information with me, but I will get it for the hon. member.

Mr. PUGSLEY: I am rather curious to know who the parties are who have leased those shops and the rent that is being paid.

Mr. COCHRANE: The information was laid on the Table in a return last session.

Mr. PUGSLEY: I should be glad if the minister would get it from his officials.

Mr. COCHRANE: I will do it.

Mr. OLIVER: I think the committee should be informed as to how much of this large amount of rolling stock is required by the present Government railways—the Intercolonial and the Transcontinental. I understand from the minister that part of this rolling stock is to be used on the Government railways, and part distributed between the Canadian Northern and the Grand Trunk Pacific. That is a very general statement, and may cover the fact that possibly 50 or 75 per cent of this $25,000,000 for rolling stock should properly be added to the liability the country is about to assume in respect to the Canadian Northern. The minister, I am sure, will be able to tell us what the requirements of the Government railways are, so that we may know in fact how much of this amount is being added to the Bill for the Canadian Northern.

Mr. COCHRANE: It has been estimated by my officials that we will need all the cars ourselves on the Government railways, with the exception of possibly two thousand these two thousand together with any others we may have to spare, will be used in helping out not only the Canadian Northern but other railways. The Grand Trunk, as everybody knows, is very short in equipment, as regards both power and cars. An arrangement has been made between the railways of Canada and the coal shippers of the United States whereby cars bringing coal to this country will be returned to the United States empty. The shippers of stone and gravel in different parts of Ontario are in consequence unable to get cars, and they have been here asking us to buy equipment and lease it to the Grand Trunk.

Mr. OLIVER: I do not wish to criticise the minister for buying these cars; quite the contrary, rather I agree with the hon. member for Pictou (Mr. Macdonald) that it would have been sound policy to buy this rolling stock sooner. Nor do I find fault with the policy of leasing the rolling stock to railways that are not able to provide their own equipment. All I wanted to know was how much of this expenditure should be added to the bill for the Canadian Northern. My hon. friend says that two thousand of these cars will not be required on the Government railways. If the cars cost $2,500 apiece, I may be correct in saying that this expenditure of $5,000,000 should be added to what we are to pay for the purchase of the Canadian Northern. I am not finding fault with the minister for providing this equipment for the different roads, but we should be informed how much it will cost as regards the Canadian Northern and the other roads.

Mr. PUGSLEY: The minister speaks of the distribution of cars among the different railways. I quite agree that that is desirable. I think it is greatly to be regretted that the Government waited till three years after the war before taking any steps in this direction.

Mr. COCHRANE: There is not a single year in which we have not bought rolling stock.

Mr. PUGSLEY: The minister ought to have bought rolling stock. The Government roads and other railways have been continually short of equipment. The Minister of Trade and Commerce (Sir George Foster), a few days ago, referred to the most admirable arrangement that has been made in the United States, where the railways have joined together and appointed a small executive, which, so far as transportation is concerned, makes all the railways of that country, some eighty-five in number, into one system for all practical purposes. The executive has control of the distribution of the cars, and the minister stated that very satisfactory results had followed from that arrangement. But there was one thing he failed to point out, though I pointed it out myself some few weeks ago, and that is that the railway companies were induced to take that action by the Government of the United States. It was the Government of that country that, immediately on the breaking out of the war, summoned in conference the presidents of all the railway companies of the United States, and it was at the insistent request of the Government that this arrangement was entered into. I am very sorry, and I think it is very much against the transportation interests of the country that the same thing was not done in Canada when the war broke out. The government railways, the Grand Trunk, the Grand Trunk Pacific, the Canadian Northern, the Canadian Pacific, and any other smaller railways—and there are some in Canada—should all have been parties to an arrangement whereby rolling stock could be placed by a small executive where it was most needed in order to meet the transportation requirements of the country, just as is done in the United States. However, it is never too late to do good, and I am very glad that at last, following the example of the United States, the Government is moving along these lines, even if only a very short way.

Mr. R. B. BENNETT: I am sure my hon. friend has overlooked one fact, namely, that the railways in the United States are solvent. The railways now being operated by Mr. Willard are not railroads in the hands of receivers. If they were in the hands of receivers the conditions to which my hon. friend refers would not obtain. As the Grand Trunk Pacific railway last year earned less money by operation than it required for the hiring of its equipment, and as the Canadian Northern was behind from $5,000,000 to $7,000,000 in net revenue to supply its fixed charges, the difficulty of operating in the manner indicated by my hon. friend must be very apparent and very great, because each company is out now to get all the profit it can, in an endeavour to meet its fixed charges. And the competition that obtains here does not obtain to the same extent and in the same manner in the United States. There the presidents of the different roads got together, and Mr. Willard was appointed chairman of a small executive. Under his direction cars are allocated to certain lines for certain purposes, but not to interfere with the revenues of the different roads. But where you have so much duplication, where two systems are not earning fixed charges, and the other system is earning enough to pay the fixed charges of both, the situation is difficult to deal with, unless the Canadian Pacific is willing to part with some of its money. It is perfectly obvious that you would have to take part of the net revenue of the Canadian Pacific Railway obtained from the carrying of traffic, passenger and freight, at fixed rates common to all roads as determined by the Board of Railway Commissioners, and pay it over to the other two roads to make up their deficit. That is the position; it is very unfortunate, but that is the fact.

Mr. PUGSLEY: I think my hon. friend has exaggerated the difficulties. If the executive in the United States takes rolling stock from one road and sends it to carry the traffic of another, there would necessarily be allowed to the company whose cars were taken a reasonable per diem remuneration for the cars so used; and that is how it would work out in Canada.

Mr. COPP: How many of these six thousand cars are being made by the Canada Car Company?

Mr. COCHRANE: Four thousand.

Mr. COPP: Who has the contract for the other two thousand?

Mr. COCHRANE: The National Car Company and the Eastern Car Company are making one thousand each.

Mr. COPP: I understood the minister to say that one part of the contract was let in May and another part about a month ago.

Mr. COCHRANE: One contract was let in May, to the Eastern Car Company, and the other to the Canada Car Company.

Mr. COPP: Are any of the cars under that contract ready for delivery at the present time? Is delivery being made as the cars are built?

Mr. COCHRANE: The first cars will be delivered in October.

Mr. OLIVER: I wish to revert to a discussion which I had with the minister some time ago in regard to the lifting of rails on the Grand Trunk Pacific west of Edmonton. We had somewhat warm words then, and the minister very strongly impressed upon the House and the country that the rails of the Transcontinental were of a certain size and boring, which obliged him to take rails from the Grand Trunk Pacific west of Edmonton, although it would have been more in accord with public policy if they had been taken from the Canadian Northern. I understand the Government has taken up the rails of the Grand Trunk Pacific and has replaced some of them with Canadian Northern rails, the reason being that although the Canadian Northern rails are of the same weight and quality they are bored somewhat differently and for that reason it was not advisable that they should be sent to England, inasmuch as they would have to be laid under fire, and there was a disadvantage in the possibility that the rails might not match. I think the minister made some remarks which reflected upon my patriotism and interest in the success of our endeavours in Europe, but of this I will not say anything further. I have a letter from a man who is employed in a railway battalion in France, and it may interest the House and the country to know what he has to say on this subject. He says:

> The Huns left Bapaume on the 17th of March, and not only was the town wrecked but the railway was more than wrecked. What rails he left he blew up at the joints, which broke the end of each rail. Where there was a deep fill it was mined and lifted out and the road bed was practically a line of shell holes. Well, we had a train of ammunition in on Easter Sunday and it was moved up in trucks. We had to use all kinds of rails, short and long, large and small. The engines here are not as heavy as the ones at home, so we can use light rails, and the great guns are mounted on thirty wheels and reach over one or more rails and some twelve joints in the car, so they play around the sharp curves as easy as a regular car, and as their heft is distributed over so much rail it allows us to use a light rail or anything we have. I was in the shops rebuilding fishplates to join up the different size rails. We had a lot of rails from England that have a ball on either side and no base. They are set in castings called chairs. We joined up all this sort of steel and got the trains going and pushed the road on towards the front. When the train got in there was no limit to material. Rails poured in from everywhere. Ties and bridge timber piled up like small mountains. There was no lack of such material.

I think under the circumstances, and with that evidence, it will be clear that there was no warrant for the minister's suggestion that it was necessary to exchange the Grand Trunk Pacific rails for Canadian Northern rails or to take the Grand Trunk Pacific rails.

Mr. COCHRANE: All I can say is that we followed the instructions received from the British Government. I think they know what they want. In any event, I am prepared to give them what they ask, as long as we have it.

Mr. MURPHY: The item under discussion is an item of $25,000,000 for the purchase of rolling stock. I think the minister exp'ained that a portion of this is to provide funds for the purchase of some 6,000 freight cars, the price for which is stated to be about $2,600 each, I believe. May I ask if that is the order that was given to Rhodes, Curry & Company?

Mr. COCHRANE: They are the same as the Canada Car Company.

Mr. MURPHY: When is delivery of those cars to be made?

Mr. COCHRANE: From October to 1st February. They are all to be delivered by 1st Februray next.

Mr. MURPHY: My inquiry, as the minister may surmise, is based on the fact that these are war prices. My recollection of previous purchases leads me to think that the prices now being paid are double or more than double what they were.

Mr. COCHRANE: No, that is not the case.

Mr. MURPHY: If those deliveries were to run after the war, the purchase could not be justified as a good business transaction. However, if the whole 6,000 are to be delivered before February next, it is a different matter.

Mr. COCHRANE: The contract is that they shall all be delivered by February next. Of course, there are three different concerns building those cars. The Canada Car Company is only building 4,000, the Eastern Car Company 1,000, and the National Car Company 1,000.

Mr. COPP: I would like to draw the attention of the minister to a question I put before him when his regular estimates were under discussion, with regard to the relaying of the rails to the Sackville and Dorchester wharves. Since the matter was up before I have received a letter from a gentleman in Dorchester who is particularly interested in it. I will not place the letter on Hansard, but I would be glad to send it to the minister for his attention. This gentleman is manager of a large stone company down there which is using the wharf for the transportation of stone. He says "if some such thing as this is not done the Dorchester Stone Works Company will be put out of business." The stone is quarried and cut during the summer, and it is absolutely impossible to ship it until the rails are relaid.

Mr. COCHRANE: Will my hon. friend tell me if they can get boats to bring the stone there now? I understand they cannot.

Mr. COPP: I am not sure. I simply mention this letter to bring the matter to the attention of the minister. There is a sketch attached to the letter showing that the relaying of about 200 yards of rail would be sufficient to obviate the necessity of hauling the stone over some very heavy hills.

Mr. SINCLAIR: Has the minister any plans in regard to increasing the rolling stock in the refrigerator service for the transportation of fish? This question was brought to the attention of the minister by a committee of this House last year, and it was urged that something should be done. It was pointed out that the Intercolonial railway was not in a position to carry perishable products of that kind by express from the East to Montreal and Toronto. There is a special interest in the transportation of fish at the present time when it is proposed that there should be two meatless days every week. The cities of Ontario have to be supplied with fresh fish, I suppose, either from the Pacific ocean or from the Atlantic. The facilities are certainly not good at the present time. It is a reproach to the Intercolonial railway that, after it has been running for nearly half a century, it is not possible to-day to send a package of fresh fish in a refrigerator car from Eastern Canada to any of the cities in Ontario. If we wish to send a whole carload there are facilities for it either by express or by fast freight; but I am referring now to smaller packages for which there are no facilities in refrigerator cars. I do not know whether the minister is working out any plan to meet that want or not, but when we are embarking upon the expenditure of a large amount for rolling stock, I would like that matter to be kept in view.

Mr. COCHRANE: We have ordered 100 refrigerator cars and I think they are delivered; if not they will be delivered before the end of the month.

Mr. KNOWLES: Does this include the purchase of any private cars?

Mr. COCHRANE: No.

Mr. PUGSLEY: I have seen in the press quite recently that different ministers have been obtaining private cars, and, among them, the hon. the Minister of Customs (Mr. Reid). He is the latest minister to have a private car. I would ask if that car has been purchased and is being looked after by the Department of Railways and Canals, or whether it was purchased directly by the Department of Customs and is being looked after by the officials of that department?

Mr. COCHRANE: He has no car. He uses a car once in a while the same as any other minister, but the car he uses belongs to the country and is controlled by the Government.

Mr. PUGSLEY: How many private cars does the Government have at the present time?

Mr. COCHRANE: Six, including the Governor General's car.

Mr. CARROLL: What officials in the service of the department does the minister consider entitled to private cars?

Mr. COCHRANE: I do not know that any of the officials of the department use private cars except officials on the railway.

Mr. CARROLL: What officials on the railway are entitled to private cars?

Mr. COCHRANE: Certain of them.

Mr. CARROLL: Does the minister think that in times like these, when the people are being urged by the Government to produce and save, it is right that the superintendent of a certain section of the railway should spend $150 or $200 a day of the country's money rolling around in a private car when he could, just as well as the ordinary citizen, be carried in a Pullman. Private cars are attached to the ordinary trains

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making them much heavier and delaying ordinary passenger traffic. It is time that the department of railways should give this matter attention. It is not fair to the country or the travelling public that an ordinary superintendent of the railway, who is neither a king nor a peer, should be entitled to this kind of entertainment with cooks, servants and everything that a millionaire could get by his money.

Mr. COCHRANE: The hon. gentleman certainly knows better. He is making statements that are nothing but foolishness. There is not a railway superintendent on any railway in the country who does not have a private car. It is his home, his office, his sleeping apartment, his everything, and it is impossible for a superintendent to do his work without one either on the Intercolonial or any other road in Canada. If the Government is going to be in the railway business it must follow the practice adopted on all railways.

Mr. CARROLL: I may be foolish and know nothing about railways, but I do know that we are told by members of the Government from the Prime Minister down that this is a time when public money should not be spent recklessly. I do not think it is a proper answer to make to an hon. member of this House, however humble he may be, that he is foolish and does not understand what he is talking about. I have travelled over the Intercolonial too much not to know what is going on. I think that the Minister of Railways owes ordinary courtesy to a member of this House who asks a question in good faith.

Mr. KYTE: Have under-secretaries equally the use of private cars with members of the Government?

Mr. COCHRANE: I think the under-secretary of one department has had a car once or twice.

Mr. PUGSLEY: Which department?

Mr. COCHRANE: Militia.

Mr. PUGSLEY: When the minister said that the Government had six private cars he meant, I presume, that they had six in addition to the cars which are used by officials at headquarters at Moncton?

Mr. COCHRANE: Yes; these are official cars.

Mr. PUGSLEY: These six cars are just for the use of those whose headquarters are in Ottawa?

[Mr. Carroll.]

Mr. COCHRANE: Two of them belong to the Governor General.

Mr. KYTE: I do not think the minister quite apprehended my question. I asked him if the under-secretaries had equally the use of private cars with the ministers?

Mr. COCHRANE: I said one under-secretary had had one once.

Mr. KYTE: To say that an under-secretary had one once is not an answer to my question. Assuming that an under-secretary desired the use of a private car, could he have the use of it?

Mr. COCHRANE: Yes, if there was one available.

Mr. KYTE: When an under-secretary wishes to travel in state and comfort, he has the right to use a private car if a private car is available?

Mr. COCHRANE: Yes.

Mr. KYTE: And the cost which is involved in the transportation of a private car is borne by the Government and not by the under-secretary?

Mr. COCHRANE: Yes, and it is borne by every railway in the country, too.

Mr. KYTE: Railways have not under-secretaries, as a rule, who travel in private cars.

Mr. COPP: Apparently the minister misunderstood the question asked by my hon. friend from South Cape Breton (Mr. Carroll). He asked him as to the number of cars which were in use by officials on the Intercolonial. I presume he misunderstood the question, because he answered by saying that the superintendents should have private cars. Inasmuch as we have the information in regard to the number of private cars kept for the use of the Government, it would be well that the committee should know how many private cars are in use by officials of the Intercolonial and what officials are entitled to the use of these cars.

Mr. COCHRANE: The general manager, the general superintendent, and each of the superintendents have private cars. It is good business to give them private cars, too. They do all their work on these cars; they live in them, practically. This is not a new system; it is the system that has been in use for years and years not only on the Intercolonial, but on every road in this country.

Mr. COPP: I am not raising the point as to whether it is good business or not.

How many district superintendents are there?

Mr. COCHRANE: Four.

Mr. COPP: Who have private cars at Moncton? I am not in a position to speak positively, but I understood the general traffic manager also had a private car.

Mr. COCHRANE: I do not think so.

Mr. COPP: He always used one. Mr. Tiffin had one.

Mr. COCHRANE: In olden times, not now.

Mr. KNOWLES: I think the hon. minister said there were six private cars belonging to the Government. How many have we secured since the Government came into power?

Mr. COCHRANE: Two.

Mr. KNOWLES: Is it permissible for a minister's private secretary to use a pricate car?

Mr. COCHRANE: No, but the private secretaries have a right to go with the ministers.

Mr. KNOWLES: But are they used by the secretaries when the minister is not present?

Mr. COCHRANE: I do not know.

Mr. BURNHAM: Are these not office cars?

Mr. COCHRANE: Yes.

Mr. BURNHAM: They are not private cars, but office cars. When one of these cars goes through back townships, the people think that the ministers are travelling in luxury. As a matter of fact, they are office cars, and if the hon. members of the Opposition would refer to them as office cars a great deal of the difficulty would be smoothed over.

Mr. KYTE: This would be a good time to obtain further information as to the policy of the department with regard to private cars. Heretofore, we have had a certain number of Cabinet ministers, but the number has been increased from time to time until we have now, I think, sixteen. It is conceded that they have the right to use private cars when they desire to travel that way. A new policy has been adopted of appointing under-secretaries, and I should like to know if, when they desire to travel, they are to have the use of private cars at public expense quite irrespective of whether or not they are travelling on public business. The Minister of Railways stated on one or two occasions that the Under Secretary of the Militia Department travelled in a private car. I should like to know if on any occasion the Under Secretary of the Militia Department desired to make a trip to the Maritime Provinces, would he, as a matter of right, have a private car at his disposal, and have the cost of transportation in that way paid by the Government?

Mr. COCHRANE: I made the statement two or three times that if a private car were available I thought he would have the right to use it.

Mr. KYTE: The minister made the statement. I naturally thought that that implied that if the under secretary desired to use the car on public business he would have the right to it. I infer that the minister goes further, and that he means that the under secretary, no matter whether he is travelling on public, or private business, has the right to travel in a private car—and his family, of course.

Mr. KNOWLES: Does the minister know whether any members of the Railway Commission of Canada ever go so far as to accept the present of a private car from an incorporated railway company while they are on personal trips, such as holidays?

Mr. COCHRANE: I have not any information as to that. They have their own car, at any rate.

Mr. KNOWLES: Would they have the right to have their own car hauled free on private business, such as a holiday trip?

Mr. COCHRANE: The different railways furnish the Board of Railway Commissioners with passage all the time, and I think they are willing to haul the cars, whether on business or pleasure, but I have not any information on that point.

Mr. KNOWLES: Will the hon. gentleman look into it, if he has time?

Mr. COCHRANE: I do not know why I should.

Mr. KNOWLES: I was going to give the reason for my question. It may be foolish, but I must discharge my duty. I do not think the Board of Railway Commissioners should be under obligation to any railway. They are in a judicial position.

Mr. COCHRANE: Perhaps a member of Parliament should not be under obligation.

Mr. KNOWLES: Two blacks do not make a white.

Mr. PUGSLEY: We have the right to travel free by law.

Mr. KNOWLES: Yes, and that is another matter.

Mr. COCHRANE: The members made the law, not the railways.

Mr. KNOWLES: I may go a long way with the minister, and I might say that the members, might for their own self-respect pay the money to the railway companies for fares, and if the people wanted to reimburse them, let them do so. I hold the view that the Board of Railway Commissioners should not accept any personal favours from any railway. They are adjudicating upon matters in which one of the contestants is the railway company and the other may be a comparatively unknown and obscure citizen. An official whose position calls upon him to discharge duties in an impartial manner should not be under the slightest obligation to either of the litigants. If my view commends itself to the minister and if he finds that the practice is what I have indicated. I think he should look upon it with disfavour. Will the minister look into the matter and give it consideration?

Mr. COCHRANE: I do not think I will. I do not think it is my business to look into it. I have perfect faith in the Board of Railway Commissioners, and anything they take in the way of transportation from the railways would not have much effect on them.

Mr. KNOWLES: They are human, like every one else. I am not going to attack them. They are not here, but, in defence of the public interest there should be rules laid down so that there would be no suggestion of anything like their receiving favours from the railways, I would go further, and although the reason does not apply so strongly, I would say that judges who are acting, where railways are litigants, should not accept favours. It is the constant duty of the Railway Commission to hold the scales of justice evenly between the railway companies and private citizens.

Mr. COCHRANE: And it is the duty of legislators to legislate for the railways. You take a pass from the railway company, and still you are kicking.

[Mr. Knowles.]

Mr. KNOWLES: No. I never took a pass, that I recollect.

Mr. COCHRANE: The hon. gentleman is the exception.

Mr. R. B. BENNETT: The point raised by the hon. member for Moosejaw is one that has engaged the attention of legislatures and Congress of the United States. The statutes of most of the western states prohibit any legislator from accepting transportation, and when I was entitled to transportation on some of the roads by reason of my professional engagements, I used to have to sign a statement that I was not a member of any legislature of any state through which the road in question passed. In most of the western states, if not all of them, there are now statutes absolutely prohibiting any member of the legislature from accepting transportation, and rendering liable not only the railway company which gives the transportation but also the recipient as well. In the United States they have the Interstate Commerce Commission, which performs to some extent the functions of our Board of Railway Commissioners, and very drastic and extreme regulations have been passed by that commission. I quite agree with the hon. member for Moosejaw that we should enact legislation. It is not for the Minister of Railways to do it; it is for us here, and for the Railway Committee if they so desire in dealing with the Railway Act, to declare that no transportation shall be issued to judges, if you please, or to others. It would be competent, and probably not improper, for Parliament to declare that no public servant, and no one occupying the position of a judge in the cases mentioned by the hon. member for Moosejaw, should receive favours from railway companies. The same argument could be applied to telegraph companies, and in that case my hon. friend from Moosejaw could not be the recipient of any form of pass that would entitle him to free service on the part of the telegraph company or the railway. That is the point he is making, and if hon. gentlemen will read the volumes and volumes of discussion which took place in the United States until they reached the point they have now attained, I think it will be found that the question is really worthy of consideration by Parliament. Not that I think it has any effect on the minds of the judges themselves; I do not think it has; but it leaves the public in the position of the poor litigant with the idea that he is being unfairly treated, and that men are biased

against him by reason of what they receive, which is a bad feeling to have in the country. It will be remembered that before the introduction of the present Railway Act every member had an annual pass, and I believe the late Minister of Railways was right and the Government was right in declaring that every member of Parliament should have free transportation on the railways, in order to remove the possibility of it being said that a favour was being extended to one member by a railway company which was not extended to another, because in some instances, if a man became vigorous in his onslaughts against a railway company, that company claimed the right to withdraw his transportation. That was the evil aimed at by the present legislation, which I think is sound, unless you pass a statute prohibiting railways from issuing transportation to a member of any legislature. If members of Parliament are to receive free transportation, it must be by Act of Parliament; if not, the railway companies must be subjected to heavy fines for issuing transportation to members.

As to private cars, the Canadian Pacific railway supplies each district superintendent with a small car. It is marked on the end "business" or "official." It is usually without a name and has only a number. That is a greater workshop than the room a man has in any terminal of the road. Counting up the hours of the district superintendent—there are three districts centering in Calgary, and I have the facts from district superintendents—he spends more hours in his car in a year than in his office and his home. Then you come to the divisional superintendent, and he has a car. His duty is to control not only one division but several. One division superintendent—they have now changed the name as between districts and divisions—who is now assistant general manager of eastern lines, one year showed me his mileage. He had travelled in a year more than the distance around the world, on his car day and night. He could not do his business without that car. The business of the railway could not be done without these cars. If the Canadian Pacific Railway, in the pursuance of sound business principles, supplies officers with cars, I think that the country must do the same with its officers, or fail in its duty. The higher officials are supposed to use official cars on official business; but in practice, if an official of the Canadian Pacific railway wants to go on his holiday, he takes his car with him. If Mr. Hall of Winnipeg wished to go the coast he would take his car, and if Mr. Tiffin, for instance, wants to go to St. Andrews he, of course, takes a car. It is one of the perquisites they enjoy. The salaries in this country are so insignificant as compared with those paid in other countries, that if you add the whole thing together, it is not a high salary for a railway man.

Mr. PUGSLEY: The Intercolonial salaries have become pretty generous.

Mr. R. B. BENNETT: The salary paid to Mr. Gutelius was $5,000 less than he now enjoys. He is employed on a shorter road. The Delaware and Hudson took him over. There is no reason why I should not tell this story to illustrate the attitude of public men towards these matters. There was once a prime minister of Canada who conceived the idea that he would like to have great business men operating the Intercolonial and he suggested to the greatest living railway man then in Canada the necessity and the desirability of getting these men. He said: You know I would not mind paying $5,000 a year for such a man. That distinguished railway man replied: If you will give me a hundred of them at that price I will take them to-morrow, because you cannot get railway men for $20,000 a year or $25,000 a year. The president of one road in this country, who is now dead, was employed by the Southern Pacific at $55,000 a year, as was made known in certain threatened ligitation. That was under the late Mr. Harriman. It is not uncommon to see the president of a railway receiving $100,000 a year. That is a large salary, but if we are to conduct business in this country—and we are going to have now a very large mileage; we shall probably shortly see operating 15,000 miles of rails—we must supply our officials with the same sort of accommodation as men in similar service on other railways enjoy. And we must pay salaries suitable to men who assume such large responsibilities. We cannot get away from that. It is not pleasant to contemplate, but it must be done. I have thought it unfair for members to go into the back sections of the country and complain of the payment of these salaries. One is no better than the other. If we were in opposition and you were in power we would probably be doing the same thing.

Mr. OLIVER: I think the hon. gentleman should speak for himself.

Mr. R. B. BENNETT: I am glad that I am not able to speak for my hon. friend from Edmonton (Mr. Oliver), because I should be sorry to think that I would give expression to some of his ideas. Human nature is human nature, and those in opposition are necessarily making capital against the Government of the day; but it is fair to say that we should educate the people of this country into the belief, even in the country districts, that men discharging large responsibilities for the Government must be paid what they are paid by private enterprise, and that the same facilities that are provided for the conducting of private business must be provided to carry on the public business. To point out that this man has a private car and some one else has some other kind of car, serves no useful purpose. The official car is useful for the proper discharge of the duties of the officials, and I think that the House should agree in that view and let it be understood that, so far as we are able, we propose to put this country behind our servants, because they are our servants, for the purpose of doing the best that is possible for the country. One, of course, expects these discussions. They are always incident to the passing of estimates, but I do not think they serve any useful purpose.

Mr. PUGSLEY: I am inclined to think my hon. friend is encouraging the establishment of an era of extravagance in the public service. Take the manager of the Intercolonial. There has been no better manager, no more successful or satisfactory manager, than Mr. Pottinger, and Mr. Pottinger's salary, I think, during the thirty-five or forty years he was connected with the railway, never exceeded $6,000 a year. When the Minister of Railways came to appoint a manager he took Mr. Gutelius, who, I am satisfied, had never received over $10,000, and gave him a salary of $20,000 a year.

Mr. COCHRANE: Another road took him at $25,000.

Mr. PUGSLEY: That may be. Perhaps there may be reasons. That road desires intimate connections with the Intercolonial. That road has an opportunity to get traffic originating in northern New Brunswick, of getting the traffic between the Intercolonial and New England points.

Mr. R. B. BENNETT: The Delaware and Hudson does not even touch it.

Mr. PUGSLEY: In connection with the Quebec Central?

Mr. R. B. BENNETT: My hon. friend's geography is as bad as his facts.

Mr. PUGSLEY: Perhaps I am wrong, but, at all events, we know that Mr. Gutelius never gave the same satisfaction—nothing like the same satisfaction to the public—as Mr. Pottinger gave.

Mr. COCHRANE: He did not do the same business either.

Mr. PUGSLEY: I do not believe Mr. Gutelius managed the road better than Mr. Pottinger.

Mr. KYTE: Not as well.

Mr. PUGSLEY: And Mr. Pottinger did not have the same wrecks on the Intercolonial either—I say it advisedly—that we have had since Mr. Gutelius became manager. This Government has certainly entered upon an era of extravagance. All their officials are receiving much higher salaries than were paid previously. I think that Sir Collingwood Schreiber never received, during all the years he served under the late Government, upwards of $6,000 a year, although he was one of the best railroad engineers in the country and occupied the position of deputy minister, and chief engineer of the Government system of railways. I do not think that in this country, it is necessary to give these extravagant salaries. I believe good men—the very best men—can be secured to perform the duties of these positions just as satisfactorily as these high-priced men, for salaries not very much higher than those that have been paid during the last fifteen or twenty years.

Mr. KNOWLES: Inasmuch as the hon. member for Calgary (Mr. R. B. Bennett) said that this matter was raised for political purposes, I desire to say that in that respect I plead not guilty. When an estimate like this is under discussion, hon. members are surely justified in asking whether any of the money is to be used for the purchase of private cars or not. The Government must not be too touchy in regard to questions that are asked. We are asking questions in order to get information to which we have a perfect right. The number of private cars this Government is purchasing may be quite justifiable. The question is whether it is a matter of economy for Government officials to have private cars or not. If it is, then they should have them, but the number of pri-

vate cars may increase so as to become a nuisance. As one of my hon. friends on this side of the House said, these private cars are a great inconvenience to the ordinary traveller on a railway. Not long ago I was travelling on the Canadian Northern to Toronto, and I wanted to make connections through Toronto to Winnipeg. I found three private cars attached to the train. There was no need of those three cars at all; two of them were not occupied by the men who owned them. That, of course, was their business, and not mine, as the railway was not a government-owned line. The private car question, like any other question, is one that is quite justified so far as it is reasonable, but beyond that it becomes an abuse. When we have every parliamentary under-secretary running around the country in a private car, and any man on the railway commission sending out a private car with his wife and children to the seaside, that is a thing that should be stopped; it is vicious at the foundation; it is a loss of economy, and it has a bad influence on those receiving favours who should not accept them. I do not know why the minister said so much about hon. members of this House using passes. I suppose he meant our railway certificates under the Railway Act. I have travelled in that sense on what he calls a pass. What I had in mind was the real pass. The minister surely did not mean to suggest that I had bothered him for passes, because I never did so. I never used any on his railway, either for myself or any one else. If my wife got one, I promise the minister I will send it back.

Mr. COCHRANE: I was not alluding to that.

Mr. KNOWLES: The minister spoke as though he meant that I was trying to get passes.

Mr. COCHRANE: I was speaking about the members' certificates; I was not alluding to anything else.

Canadian Government Railways—purchase of steamers "McKee" and "Drummond," $1,020,000.

Mr. PUGSLEY: Will the minister explain this item?

Mr. COCHRANE: They are two steamers we bought for the purpose of carrying coal from Sydney to Lévis. One was bought for $515,000, and the other for $505,000. They have been on that work ever since.

Mr. PUGSLEY: Were they purchased in England?

Mr. COCHRANE: No, in this country.

Mr. PUGSLEY: Are they second-hand steamers?

Mr. COCHRANE: Yes. One was bought from the Algoma Central Company and the other from the company of which Mr. James Playfair is president—I forget the name of the company.

Mr. PUGSLEY: What is the tonnage and the age of each steamer?

Mr. COCHRANE: They were built in 1908. The tonnage is 3,400 tons.

Mr. COPP: They are carrying coal for use on the Intercolonial?

Mr. COCHRANE: Yes.

Canadian Government Railways—to provide for building of two wooden ships, $600,000.

Mr. PUGSLEY: Will the minister explain this item?

Mr. COCHRANE: We let contracts for two wooden ships to be built at North Vancouver, one contract to Wallace Shipyards, Limited, and the other to Harrison & Lamond, of Vancouver. The price was $230,000 in each case. Those contracts were let some time ago, but both firms cancelled them, refusing to go on with them. They claimed that the price was altogether too low. We have not made any other arrangements for the construction of these ships since then, but we hope to be able to get two boats. The idea was to put on these two boats to run between Vancouver, Halifax and St. John, and also down to Bermuda.

Mr. PUGSLEY: Were tenders called for the vessels?

Mr. COCHRANE: We asked for tenders from the different shipyards, and these firms signed contracts, but they have since cancelled them and refused to build the ships.

Mr. PUGSLEY: If it is decided to go on with the construction of these vessels, I hope the minister will call for tenders in a public way, instead of inviting tenders from the owners of a few shipyards. In that way the East will have an opportunity of tendering as well as the West.

Mr. MURPHY: What is the tonnage to be?

Mr. COCHRANE: It is 2,500 tons each.

Mr. PUGSLEY: What power would they have?

Mr. COCHRANE: Gasoline engines.

Mr. PUGSLEY: That is the Diesel engine, I suppose?

Mr. COCHRANE: Oil engines. They will use sails as well.

Mr. PUGSLEY: Is the minister now anticipating that there will be an increase in cost which will bring the total up to $600,000?

Mr. COCHRANE: They won't take them on any other terms except cost plus ten per cent.

Mr. KNOWLES: Is there any information as to the standing of these firms? Had they built many ships before taking this contract?

Mr. COCHRANE: The Wallace Shipbuilding Company have had several contracts.

Mr. KNOWLES: Is that the firm Mr. Bowser is a director in?

Mr. COCHRANE: I do not know.

Mr. KNOWLES: I am informed he is. Would they not have to put up a deposit on a contract like this?

Mr. COCHRANE: They refused to put up a deposit.

Mr. KNOWLES: The contract was entered into by the Government without a deposit?

Mr. COCHRANE: Yes.

Mr. PUGSLEY: Is it not unusual for the minister to invite people to enter into a contract and for the contract to be let without any deposit being made?

Mr. COCHRANE: Yes.

Mr. PUGSLEY: May I not get a promise from the minister that if he goes on with the construction of vessels he will call for tenders on the Atlantic and Pacific coasts?

Mr. COCHRANE: I think that is a fair proposition.

Mr. KNOWLES: If I remember correctly, Mr. Bowser at the time of the election was making considerable political capital out of the fact that he had arranged for the carrying on of this industry in British Columbia, and he himself was a director of this company.

Mr. COCHRANE: I have never heard that in any shape or form.

Mr. PUGSLEY: As I understand it, these vessels are intended to ply from Atlantic ports like St. John and Halifax in winter, and Montreal in the summer—

Mr. COCHRANE: Not from Montreal.

Mr. PUGSLEY: From Atlantic ports, we will say, and to pass through the Panama Canal on to the Pacific coast, making regular voyages between Eastern and Western Canada via the canal. So there is no reason why tenders should not be called for on both the Atlantic and Pacific coasts.

Mr. COCHRANE: That is true.

Mr. KNOWLES: What is the financial standing of this company? How was it they were let off so easily? How much paid-up capital have they?

Mr. COCHRANE: I do not know.

Mr. KNOWLES: Does the minister mean to say that he entered into a contract without any deposit being made, and without inquiring into the financial standing of the company.

Mr. COCHRANE: We were perfectly safe without a deposit, because we were to pay them on progress estimates, and we would have had a capable man there to report to us from month to month the progress they were making. So it was not necessary to get a deposit.

Mr. KNOWLES: I wish to respectfully criticise the minister's view. If the public service demands that there should be ships, the public service demands that a contract should be entered into which there is reasonable ground to believe will be carried out. If we need ships, we should not play with the business. In this case, certain men in a certain place had the option of going ahead with a contract or throwing it up. If they saw they could make a profit they could go ahead, and if, after looking into the matter carefully, they thought they could not make a profit, they could throw up the contract. If the minister lays that down as the established policy of the Government, even with the poor financial head that I have I could be a millionaire in a very short time. I could simply pick and choose between the contracts, going on with this one here if I could make a profit, and dropping that one there if I could not make money on it. If the minister never bothered to enforce the contract it would be nice pickings. I think we have here a dangerous precedent, which is not altogether unlike the principle laid down in Winnipeg, where a minister, finding that the contractor had tendered for a little less

amount than would see him through, paid the difference.

Mr. COCHRANE: But I have not.

Mr. KNOWLES: This is just the reverse of that. In this case, the man is let off without being called to account. If it happened that the figure was one which subsequent fluctuations of the market with regard to labour and material justified him carrying on, he would have the option of making a very profitable deal with the Government. On the other hand, he could never lose, because if the market fluctuated against him he could throw up the contract. It is altogether to the disadvantage of the Government to do business in that way, and I wish to place myself on record to that effect.

Mr. STEVENS: In justice to the minister and to the firm who failed to carry out their contract, it should be pointed out that just subsequent to the letting of this contract the Munitions Board entered into the business of building wooden ships in British Columbia and other parts of Canada and secured practical control of the material entering into the building of ships. There were only a limited number of mills in British Columbia capable of sawing the timber necessary for certain parts of these ships, and the Munitions Board immediately arranged for the control of the output of these mills, with the result that many shipbuilding firms were unable to get material for their private work or for work in connection with Government contracts.

Mr. KNOWLES: Does the hon. gentleman mean to say that the Munitions Board deliberately interfered with the securing of supplies by these shipbuilding firms who were going to build for the Government? Or did the board incidentally and accidentally take the material away from them?

Mr. STEVENS: The hon. gentleman's word "deliberately" implies malicious intent.

Mr. KNOWLES: Let us say, forseeing the results.

Mr. STEVENS: In any event, the results were the same. The Munitions Board found, and it has been found, I think, in the United States in the construction of wooden ships there, that the only satisfactory basis on which to let the contracts is, cost plus a percentage. The fluctuation in the price of materials makes it impossible to gauge the price with any accuracy. The Wallace firm entered into this contract because it already was constructing ships for a private concern—the Brown-Carruthers group, who were building under a British Columbia law which gave them a bonus. By the time the negotiations with the Wallace firm were completed, the Munitions Board had entered the field and materials had risen in value to an enormous degree, and it would have resulted in very serious loss to the Wallace firm if the Government had insisted on the exact terms of the contract. I do not think any member of this House desires to take advantage of a commercial firm because of abnormal conditions. I would point out that, having in mind such a case as this, the British Government clothed itself with statutory power to enable it to allow a contractor to abandon his contract without loss, if he could show that he had to abandon it on account of the peculiar conditions arising out of the war.

Mr. KNOWLES: That is not the case here.

Mr. STEVENS: We have not such a law here, but it is a very reasonable precedent to follow.

Mr. KNOWLES: Those are not the circumstances here at all. The minister cancelled the contract without knowing anything about it. He knew nothing about the financial standing of the company.

Mr. STEVENS: He is one of the wisest ministers here, and I think he knows pretty well what he is doing.

Mr. PUGSLEY: Perhaps he was guided by the wise head of the hon. member for Vancouver (Mr. Stevens) who knows the right thing to do from a political standpoint when it is necessary. I would presume that my hon. friend from Vancouver had suggested to these gentlemen: I will see the minister and get him to let you out, and then you can get a contract at cost plus ten per cent.

Mr. COCHRANE: That is absolutely untrue.

Mr. STEVENS: It is absolutely without foundation.

Mr. PUGSLEY: We have ten plus in the estimate all right.

Some hon. MEMBER: Order.

Mr. PUGSLEY: The original contract was for $460,000 and we find an estimate now for $600,000, so the minister has the ten plus in his mind.

Mr. COCHRANE: I certainly have not. I refused to do it.

Mr. PUGSLEY: Then the minister was requested to do it by my hon. friend?

Mr. COCHRANE: No, not by my hon. friend; by the people themselves, and by the board of trade out there; and I refused to do it.

Mr. PUGSLEY: I think it is a peculiar condition of affairs that the minister should voluntarily allow a contracting firm which engaged to build two vessels for the Government and which is under legal obligation to carry out its agreement to abandon its contract. It is evidently a very reliable firm, otherwise it would not have contracts with the Imperial Munitions Board. This is such a peculiar condition of affairs that the minister should give some explanation to the House, and I think he should bring down the contracts and the correspondence before he asks the committee to pass this item. Of course, it is all very well for us to show our sympathies, but still a contract is a contract, a bargain is a bargain. This strong financial company undertook to build those vessels, and entered into a binding contract. The minister had so much faith in them that he did not require them to put up a deposit, as he always does and as every minister does in respect of public works, which deposit would be forfeited if the contractor failed to carry out his contract. The minister chose to trust them, and he took their contract. They are bound in law to carry it out. The minister has seen fit to release them from this contract, and he finds now that he will have to pay a very much larger sum in order to get the vessels built, and is providing in his Estimates a very much larger amount than the original contract called for. I think under those circumstances the minister should not ask the committee to pass this item until the contract and the correspondence are before us. I was greatly surprised at the statement of my hon. friend from Vancouver (Mr. Stevens) that the Munitions Board has taken charge of the output of the mills. That is not what they do, according to the information given me by the director of the Munitions Board. Such a thing as that was not suggested. It is only that they require to know that the contracting firm will have a reasonably satisfactory opportunity of securing timber; but that the Imperial Munitions Board commandeers the output of any mills or any manufacturers of lumber is something I do not believe.

Mr. STEVENS: I did not make that statement.

Mr. PUGSLEY: Yes, my hon. friend said they had taken charge of the output of the mills thereby preventing the Wallace Shipbuilding Company from carrying out its contract with the Government. I was greatly surprised to hear that statement because it is entirely contrary to what I understood has been the practice of the Munitions Board. In the city of St. John a contract was given by the Munitions Board for the building of two vessels, and the contractors got their timber where they could or where they pleased. The Munitions Board does not undertake to supply timber. The contractor has to supply it himself, and I am quite satisfied, unless my hon. friend is able to assure the committee to the contrary, that the matter of securing timber is a matter entirely up to the contracting firm. If the Wallace Shipbuilding Company has taken a contract from the Munitions Board at cost plus, under which they are absolutely sure of getting the cost of building and ten per cent, I am quite sure it is they and not the Munitions Board who control the output of those mills and that they have voluntarily taken a more profitable contract and given up the contract they had with this Government, and the Government has voluntarily released them.

Mr. STEVENS: The Wallace shipyards have no contract from the Munitions Board for wooden ships. They had contracts for steel ships, and they have already launched one or two. They had contracts which, I think, are about completed now from a private firm for wooden ships. As to the Munitions Board commandeering the lumber, I never made any such statement. What I said was that when the Munitions Board entered the field, before the construction of those vessels commenced, they arranged for the output of certain mills which were the only mills able to cut certain long timbers required in the construction of those vessels.

Mr. PUGSLEY: Do I understand they arranged with the mill- owners?

Mr. STEVENS: Yes.

Mr. PUGSLEY: Under contract with the millowners?

Mr. STEVENS: I do not know whether it was under contract, or how it was done. They arranged with the millowners so that

they controlled the full amount of the output. Those mills are cutting to capacity, not only for British Columbia shipbuilding, but for shipyards in Eastern Canada as well.

Mr. COCHRANE: I will agree to put a copy of the contract and of the correspondence on the Table.

Mr. PUGSLEY: In the meantime we should let this stand.

Mr. COCHRANE: What is the use of letting it stand?

Mr. PUGSLEY: Because when we get this information we may take an entirely different view of the matter.

The CHAIRMAN (Mr. Stewart) I may say the resolution has already been formally passed.

Mr. PUGSLEY: No, Mr. Chairman. It has been informally passed.

The CHAIRMAN: Formally passed.

Mr. PUGSLEY: The only item which was passed on to-day was $25,000,000 for rolling stock.

The CHAIRMAN: There is only one resolution, and the resolution has been formally passed.

Mr. PUGSLEY: When, Mr. Chairman?

The CHAIRMAN: Some time ago.

Mr. PUGSLEY: To-day?

The CHAIRMAN: Yes.

Mr. PUGSLEY: No, Mr. Chairman. The only item under consideration to-day was the item for rolling stock.

Mr. COCHRANE: The boats are under consideration.

Mr. PUGSLEY: The item under consideration was for rolling stock. Then we came to the purchase of the two steamers, McKee and Drummond. Now we have reached the third item. It will not do to take that position, because we have been discussing these items, and we must insist upon our right to discuss them.

The CHAIRMAN: I only take what is before me.

Mr. PUGSLEY: Then what you have before you, Sir, is a mistake. The minister knows perfectly well that since we have been here this afternoon we have been discussing rolling stock, and we are now discussing the building of two wooden ships. I remember once a lawyer in New Brunswick continued to argue after the magistrate had adjourned the court. He said: "Am I addressing an adjourned court?" The magistrate said: "You certainly am." If that applies, we have been addressing the committee upon items long after they have been passed. I think you had better reverse your judgment, Mr. Chairman.

The CHAIRMAN: I cannot. The resolution has already passed, and is marked so.

Mr. PUGSLEY: That cannot be.

Sir GEORGE FOSTER: My hon. friend had better let it go as passed. He knows he is only doing a lot of very nice and skilful feeling. He has all the information his head can hold, and more than he can digest. He will get the contracts and the correspondence, and then if he wants to raise a row about it he can do so. But, what is the use of holding up such a very large item as this for a little information with reference to a contract?

Mr. PUGSLEY: The $25,000,000 item has been passed.

Sir GEORGE FOSTER: The resolution can only be passed as a whole, and the Chairman seems to have taken it that it was passed, and so marked it. My hon. friend who is in the Chair now cannot go back on what he finds in the record. My hon. friend (Mr. Pugsley) will make it easy for the Chairman who was, and for the present Chairman, if he will simply allow the item to pass as the committee understands it has been passed, and he will get the information later.

Mr. PUGSLEY: I would like very much to oblige my right hon. friend, but at the same time there are certain rules of procedure which we must follow. Take, for instance. the Public Works item; he will find a hundred sub-items under one general heading. The practice is always to take them sub-item by sub-item and each one is passed separately. The mere fact of the passing of one sub-item does not mean that all are passed. If the chairman has got it wrong, we must get him right. My right hon. friend asks us to treat as passed a sub-item that has never been under consideration at all.

Mr. COCHRANE: You have been talking about it for over half an hour.

Mr. PUGSLEY: About the question of ships?

Mr. COCHRANE: Yes.

Mr. PUGSLEY: We were, but the chairman has brought us up with a round, short and sharp turn, and he tells us that we are out of order and that all these items have been passed because we considered this one sub-item. The Minister of Trade and Commerce (Sir George Foster) speaks of this as a small thing. Six hundred thousand dollars a small thing? My right hon. friend has become so accustomed in recent months to thinking in millions, and hundreds of millions, in connection with the Canadian Northern railway and other matters that this item of $600,000 is a mere bagatelle, a fleabite. The difficulty about this matter is that if the Minister of Railways gets all his items through we may not see him again during the session. The session cannot last much longer now.

Mr. COCHRANE: I think I have been here pretty regularly during the session.

Mr. PUGSLEY: Yes, my hon. friend has. but he has been waiting to get his Estimates through and when he gets them through we may not see him again. It is always objectionable to allow an item to go through before important papers and contracts have been brought down. When I was Minister of Public Works the present Minister of Trade and Commerce would not allow me to get a vote through for a public building until I had brought down all the plans. I remember that on one occasion I had to bring down a cartload of plans prepared by the different architects and lay them on the Table. He seems to have changed his ideas as to the proper thing to do. I leave it to him whether it is unreasonable to ask that we should have the contract. This is a most extraordinary situation. I do not believe there is another minister who would assume for a moment that the committee would absolve him from blame in having relieved a substantial firm from a binding contract or would permit him to get the item passed without giving the House the contract and correspondence which, in his opinion, warranted him in taking
5 p.m. such an extraordinary course. I appeal to my right hon. friend—my economical and prudent friend, a man who was supposed to be the watch-dog over the actions of his colleagues, the one man who was supposed to be in the past extraordinarily economical, who watched every penny of public money to see that it was not wasted—to say whether the action of the minister (Mr. Cochrane) is justifiable or not. Here my right hon. friend is face to face with the fact that this Government has thrown away $100,000 of the money of the people and has relieved a perfectly substantial shipbuilding firm from the performance of its contract when the minister knows that he will have to pay $100,000 to have that contract carried out.

Mr. COCHRANE: He has not to do anything of the kind.

Mr. PUGSLEY: He may abandon it altogether. I assume that when the minister asked for the money last year he did so on the understanding that it was in the public interest that these ships would be built.

Mr. COCHRANE: I did not ask for it last year. This is the first time I have asked for it.

Mr. PUGSLEY: Or the year before?

Mr. COCHRANE: No, never before.

Mr. PUGSLEY: Yes.

Mr. COCHRANE: No.

Mr. PUGSLEY: Yes, last session, the Minister of Customs (Mr. Reid) who was acting for the Minister of Railways (Mr. Cochrane) asked for it.

Mr. COCHRANE: He did not ask for anything for shipbuilding.

Mr. PUGSLEY: Yes.

Mr. COCHRANE: No.

Mr. PUGSLEY: I very distinctly remember the statement that we were going to acquire two vessels for the purpose of carrying freight between the east and the west of Canada.

Mr. STEVENS: That was early this session.

Mr. PUGSLEY: The matter came up this session?

Mr. STEVENS: It came up early in the session in the budget debate.

Mr. PUGSLEY: Then the position is that the minister entered into a binding contract on behalf of the Government for two ships without any vote from Parliament?

Mr. COCHRANE: Yes.

Mr. PUGSLEY: That strikes me as even more reprehensible.

Mr. COCHRANE: All right, but my hon. friend carried on the same practice.

Mr. PUGSLEY: No, never; that would be an unheard of thing when the late Government was in power. Did the minister, without any vote of Parliament, actually

enter into a contract in which he pledged the people to pay $460,000 for two ships? Is that what the minister says? Yet he says that we must pass this item and he refuses to give us any information.

Mr. CROTHERS: Did not the Government of which you were a member enter into a contract for the construction of the Transcontinental railway without the consent of Parliament?

Mr. PUGSLEY: No; that was subject to the approval of Parliament.

Mr. CROTHERS: Yes, but you entered into the contract before you submitted it to Parliament.

Mr. PUGSLEY: No, it was subject to the approval of Parliament. That is often done. The Government of Sir John Macdonald entered into a contract for the construction of the Canadian Pacific Railway but it was subject to the approval of Parliament.

Mr. CROTHERS: This is subject to the approval of Parliament too.

Mr. PUGSLEY: Not at all. Does the minister say that the contract is subject to the approval of Parliament? What does the minister say about that? He says nothing. Under these circumstances I think the contract really had better be brought down before the vote is passed.

Mr. COCHRANE: I am willing to bring the contract down.

Mr. PUGSLEY: Bring it down before we pass this vote?

Mr. COCHRANE: No, why should I?

Mr. PUGSLEY: Why should you not? We are here acting for the people of this country. We have evidence before us that the minister without any authority from Parliament, entered into a contract which while it was binding on the Crown, was not binding on the Wallace Shipbuilding Company under which they pledged themselves to build two ships for $230,000 each, or $460.000 for both.

Mr. COCHRANE: We will let the item drop if you like.

Mr. PUGSLEY: I would not like to have you do that.

Mr. COCHRANE: You cannot have every thing your own way.

Mr. PUGSLEY: I do not have many things my own way; it is not often that I can persuade the minister to do anything like that. Perhaps after all the minister had better drop it. In war times we should not spend money unless it is necessary. It would be a very good idea to drop it. But I do not ask him to do that if he will bring down the contract.

Mr. COCHRANE: I will bring it down.

Mr. PUGSLEY: Bring it down before we pass this item.

Mr. COCHRANE: No, the item is passed. I will bring down a copy of the contract on Monday.

Mr. PUGSLEY: Before this item passes?

Mr. COCHRANE: No, the item is passed.

Mr. PUGSLEY: I must differ from my hon. friend.

The CHAIRMAN: I have to insist that this item is passed. That is what I find before me. If the minister and the committee are willing that the discussion should go on, I have no objection.

Sir WILFRID LAURIER: This item was not passed. You were not here, Mr. Chairman, but everybody who was here knows that it was not passed.

The CHAIRMAN: These are the resolutions, and a resolution can only be put in this place after it is carried. The items are discussed, the resolution is put before the committee and is carried, and that disposes of it.

Mr. PUGSLEY: That never was done.

The CHAIRMAN: That is what the record shows.

Mr. KYTE: There is another matter requiring further consideration. That is the standing of the Wallace Shipbuilding Company. I have a recollection that the corporation and the personnel of that company cut some figure in British Columbia politics during the period of the provincial election a year ago. I think it was stated in the press at the time that this company, which had had a corporate entity for some years, had not done any business, but suddenly became revived during the progress of the provincial election campaign and my recollection also is that ex-Premier Bowser appeared as a director of that company, and, inasmuch as that company purported to do business with the provincial government, ex-Premier Bowser had to retire from the directorship. I recollect having obtained that information from a perusal of

the press of British Columbia a year ago, and I think it would be well if the minister would give the committee some information as to the financial standing and the responsibility of that company, as well as the names of the directors, with whom the Government purported to do business under the contract referred to.

Mr. KNOWLES: I think there is no doubt this item is not carried. We all understand it. On the succeeding page you will find bracketed together perhaps a dozen items, and the clerk runs them off one at a time. It does not follow that, because the first of those items is passed the last one is passed, nor does it follow in this instance, that because two items are passed, the third item is passed. The committee assented, after a discussion not at all unreasonable, to the $25,000,000 rolling stock, and the item we now have before us is to provide for the building of two wooden ships. There is no minister whose estimates I would more willingly expedite, than those of the Minister of Railways. I like the way he administers his department. I think he administers it, on the whole, pretty fairly, and in a manly way; but in this instance I feel that he has information in his possession that we should have before we consent to this item. In the first place, he entered into a contract before Parliament authorized the expenditure of the money, which, in itself, is an unusual and abnormal way of doing business. The normal way is that the expenditure is first authorized and the money voted by Parliament and then the minister is entrusted with the details of making the necessary contract. In this instance, the minister has taken upon himself to anticipate the approval of Parliament, an unusual position, and, therefore, not one in which we are to be less careful than usual, but more careful, and the minister should be the last to ask us to do anything which might be approaching a loose way of doing business. If I were to undertake the responsibility of acting in an emergency for a principal I should think that was the very case where the fullest disclosure should be made to the principal and I should not say to him: "Here, you ratify that, and when I get ready I will bring down the reasons which compelled me to take the course I took." I think the unreasonableness this afternoon is not on this side of the House in asking that all these things be disclosed to us before we ratify what our agent has done, because the minister, after all, is the agent of Parliament in the expenditure of money. More than that, there are the very exceptional circumstances under which the contract was allowed to lapse; there must surely be some further explanation of that. The explanation given by the hon. member for Vancouver is no explanation at all. Let us suppose that the condition of affairs had been reversed, and that the price, instead of proving non-attractive, had proved very attractive to the contractors, would they have excused, forgiven and released the Government? Are we handling immense sums of the people's money so as to give the person at the other end every favour and consideration? Would the minister do that if it were his own business in Sudbury, Sault Ste. Marie, Toronto, or anywhere else? No, he would not. If he had taken his chances on the rise or fall of the market, on the increase in the supply or demand of an article, and the party at the other end of the contract, with his eyes wide open, had taken his chances, if the developments in that commodity had been in favour of the minister's end, so that he found his bargain a profitable one to him, he would be the last man in the world to release the man at the other end. He would say: "Some day I will get stuck myself; it will be all in a life time. You take your medicine now and I will take mine at some other time." There should be some further explanation than what has been given as to why the Government released this company in such a very easy way. No reason was suggested until the hon. member for Vancouver strolled into the Chamber. He had so plausible good-natured, calm an explanation, like pouring oil on the troubled waters—and yet when you come to examine it, it does not amount to anything. He says that the Munitions Board and the Government wanted something to be built which required long timbers and the demand for long timbers was increased and while nobody controlled the material—the Munitions Board did not commandeer it—yet by some chance those who had the material saw an opportunity of making a better deal with the Munitions Board, and the contract was allowed to lapse. But what is the serious aspect of it all? It is this—that in this great struggle in which we are engaged it was found, that it was necessary that we should have wooden ships, and yet, instead of having them built, the time in which they might have been built has been allowed to slip away.

And the minister gives us no explanation for the great delay that has occurred because the whole contract has lapsed. It is not merely the money consideration, the question of time is even more important. All these weeks and months have slipped away, and we are without that thing we need, namely the wooden ships for our transportation. We must presume it was necessary to have them, and if it was necessary to have them, then time must have been the essence of that very necessity; and I say the minister, instead of asking us to pass this item with our eyes shut, should be the very first to say "There will be the fullest explanation upon it before the people's representatives are asked to pass this item."

Mr. PUGSLEY: There is a very important principle involved for the protection of the committee in the suggestion made by the hon. gentleman that because you find the name of the chairman to this resolution you are going to treat it as adopted. I have the votes and proceedings of yesterday, and the resolution is not in the records as adopted, and it has not been adopted to-day. I have been here, and hon. gentlemen opposite have been here, ever since the House opened at three o'clock. My right hon. friend the Minister of Trade and Commerce, the Minister of Railways, and other gentlemen on the other side, have been here. The resolution has no date. The chairman has simply signed it, I suppose in anticipation of the fact that it might be adopted. These items have been under discussion to-day, and the only items which have been passed are the two first. one for the purchase of rolling stock, which we discussed for half an hour and more. and the other for the purchase of the steamer McKee and Drummond. We have now reached the third item, and it has not been declared passed. As one member of the committee, I insist that it has not been passed, and we have a right to discuss it.

Sir GEORGE FOSTER: I think what has taken place is what might very naturally take place. The chairman read the resolution which covers three items. There was a fair discussion on the principal item, a short discussion on the next, and there was some talk on the third. Several times hon. members would say "carried," "carried." and then some member on one side or the other would rise and follow out the item still further. Although we have said "carried" the chairman waited until——

Mr. PUGSLEY: He never said "carried" as to the third sub-item.

Sir GEORGE FOSTER: I do not know about that. The Chairman evidently understood it was carried and so marked it.

Mr. PUGSLEY: He does not mark it "carried," he simply signs it.

Sir GEORGE FOSTER: There was no effort to crowd the vote through the committee in any way.

The CHAIRMAN (Mr. Rainville): I should be sorry if I had made any mistake, but I have been in the habit of considering each page placed before me as an item. In the resolution on the page before me, which calls for the vote of $26,620,000, there are the three items. That is resolution 437, and that was the resolution before the committee.

Mr. PUGSLEY: But you were taking it sub-item by sub-item.

The CHAIRMAN: Unfortunately that was not done; I read the three items together, and when I said "carried" I referred to item 437.

Mr. PUGSLEY: But in the Public Works Estimates given on page 11, item 457, there are twenty sub-items. You call each sub-item.

The CHAIRMAN: I would read all the items, and if any hon. member asked for information, for instance about line 4, I would stop and permit him to ask for that information, and I would call "carried" when all the items in the resolution had been discussed in that way.

Sir WILFRID LAURIER: I appeal to the Minister of Trade and Commerce that there is no reason for this discussion. The practice has always been that the resolution is called. It may be composed of several items, absolutely disconnected. Here are three. These are taken one by one. We were on the third, which was being discussed when the Chairman left the Chair and the hon. member for Lunenburg (Mr. D. Stewart) took the Chair. The Chairman (Mr. Rainville), assuming it would be carried without further discussion, marked it. But the invariable practice is, when you have a resolution of several items, to take up each sub-item, and the resolution is carried when all are agreed to. The minister will agree on that point.

Sir GEORGE FOSTER: My right hon. friend is correct. This is merely a mis-

understanding, and I am sure that, if it is the desire of hon. gentlemen, the Chairman will be willing to consider this item as being allowed to stand.

The CHAIRMAN: If it is the pleasure of the committee, I have no objection.

Mr. LOGGIE: I thought it would interest the minister to know that a telegram came to Ottawa to-day saying that a car of fish supposed to be shipped by the Maritime Fish Corporation could not be shipped owing to lack of equipment on the railway. The car was intended for Toronto.

Mr. COCHRANE: Who received the telegram?

Mr. LOGGIE: Matthews-Blackwell, Limited.

Mr. COCHRANE: I have not heard of that before.

Railway subsidy—to provide amount required to be paid for the Quebec, Montmorency and Charlevoix Railway, the Quebec and Saguenay Railway, and the Lotbinière and Megantic Railway, and for the equipment, appurtenances and properties used in connection with such railways, to be acquired under the authority of a statute passed at the last session; and to provide for the cost of completing, equipping and operating the said railways—the operating expenses to be chargeable to revenue—revote, $3,667,745.07.

Mr. LEMIEUX: Will the minister explain this item?

Mr. COCHRANE: It is a revote from last year. The vote last year was for $4,000,000. The difference between the two votes was spent on construction last year. We are trying to protect the road by putting in stone to prevent the current from washing out the ballast. Formerly, a quantity of timber and other material was put in the sides for that purpose.

Mr. LEMIEUX: This amount is not only for construction purposes, is it?

Mr. COCHRANE: No.

Mr. LEMIEUX: What portion of the $3,667,745.07 will go towards the construction, what portion towards the payment of the bonds and what portion towards the equipment, appurtenances and properties in connection with these railways?

Mr. COCHRANE: It is estimated it will cost $1,492,194 to finish the construction, of which $492,194 is the amount found for depreciation of the Saguenay railway. That is, it will take $1,000,000 to complete the construction, and $492,194 to take the place of the depreciation that has occurred.

[Sir George Foster.]

Mr. LEMIEUX: How much of the amount will go towards the price of the railways acquired by the Government?

Mr. COCHRANE: Whatever Mr. Justice Cassels finds.

Mr. LEMIEUX: Mr. Justice Cassels has found already. Has he not given a judgment in that case? I have in my hand the reasons for judgment, and the matter is still before the courts, because I understand, by a hurried inquiry I made this morning, that an appeal has been lodged by the railway companies against the judgment of Mr. Justice Cassels.

Mr. COCHRANE: There is an appeal in connection with the gas property which has nothing to do with this.

Mr. LEMIEUX: There is an appeal by the railway companies against the judgment of Mr. Justice Cassels. I made inquiry to-day at the Supreme Court. The judgment itself is not complete. The judge, when he gave his reasons spoke of the appeal, and the last portion of his reasons for judgment is as follows:

It will be easy when the case is concluded to arrive at the amount which in my judgment ought to be allowed. There will have to be deducted the allowance for depreciation, which has been settled. There will also have to be deducted the amounts received from the Dominion and provincial subsidies. These sums are not in dispute. There will also have to be deducted these items that I have just been referring to in connection with the Sagueny Railway, and any amounts that should be deducted from the Montmorency and Charlevoix Railway and the Megantic Railway on a proper valuation being proved.

The reasons for the appeal are, I understand based on Sir Walter Cassels' interpretation of the words "actual value." By his interpretation of those words which were inserted in the statute of last year, the judge deducted quite a large sum from the amount voted last year. In order to make myself clear, perhaps it would be well if I gave a little history of the case. I will follow the lines of the judgment delivered by Mr. Justice Cassels on 24th January, 1917. The committee will remember that Parliament decided last year to acquire the Lotbinière and Megantic, the Quebec, Montmorency and Charlevoix, and the Quebec and Saguenay railways. The Bill was assented to on 18th May, 1916. This statute provides that the Governor in Council may authorize and empower the Minister of Railways and Canals to acquire, upon such terms and conditions as the Governor in Council

may approve, the railways described in the schedule, together with such equipment, appurtenances and properties used in connection with such railways, as the Governor in Council may deem necessary for the operation thereof. There are three railways mentioned in the schedule:

(a) The line of railway commonly known as the Quebec, Montmorency and Charlevoix Railway, extending from St. Paul Street in the city of Quebec to St. Joachim, a distance of about 43⅛ miles.

(b) The Quebec and Saguenay Railway extending from its junction with the Quebec, Montmorency and Charlevoix Railway at St. Joachim in the county of Montmorency to Nairn Falls in the county of Charlevoix, a distance of about 62⅘₁₀ miles; and

(c) The Lotbinière and Megantic Railway extending from Lyster in the county of Megantic to St. Jean des Chaillons in the county of Lotbinière, a distance of about 30 miles.

The second section authorizing the Government to purchase the three railways—and it is very important that one should read it carefully, because in it is the gist of the whole trouble—provides:

The consideration to be paid for each of the said railways and for any equipment, appurtenances and properties that may be acquired as aforesaid shall be the value thereof as determined by the Exchequer Court of Canada; said value to be the actual cost of said railways, less subsidies and less depreciation, but not to exceed four million, three hundred and forty-nine thousand dollars, exclusive of outstanding bonded indebtedness which is to be assumed by the Government, but not to exceed in all two million five hundred thousand dollars.

The bonded indebtedness was fixed at $2,500,000, but if in the appreciation of the actual cost of the railways it was found that the bonded indebtedness was less than that amount, the balance was to be applied to the cost of the railways. The case was submitted to the Exchequer Court. The Dominion Government was represented by Messrs. Meredith K.C., and Bernier, K.C. Several witnesses and experts were heard, and after counsel had argued at length on the evidence adduced, Sir Walter Cassels delivered judgment on 24th January, 1917. His judgment reads, in part, as follows:

The agreement—

There was an agreement between the Department of Railways and the railway Companies subsequent to the legislation.

The agreement requires a separate valuation for each of these three lines of railway. By the agreement the Crown assumes bonds of $2,500,000 secured by a trust mortgage. These bonds and the trust mortgages securing the same in addition to being a charge on the Quebec Railway Company, are also a charge on other railways and properties not taken over by the Crown. By the terms of the agreement this bonded charge of $2,500,000, while it is assumed by the Crown, forms part of the purchase money payable by the Crown under the statute. If the value placed by the Court on the Quebec Railway Company, known as the Quebec, Montmorency and Charlevoix Railway, exceeds the $2,500,000 only the excess over the $2,500,000 and the value so found is to be paid by the Crown, the $2,500,000 being treated practically as a payment on account.

Right here I should like to know if in this item is included the $2,500,000 referred to as the bonded indebtedness.

Mr. COCHRANE: No, it is not included.

Mr. LEMIEUX: I may have some comments to make on that later on. To proceed.

If on the other hand the value placed upon the Quebec, Montmorency and Charlevoix Railway is less than $2,500,000 then the difference between the value as ascertained and the $2,500,000 is to be deducted from any sums that may be found due in respect of the other two railways.

Sir Walter Cassels says further:

The agreement refers to it in the following language:

"It is understood and agreed by and between all the parties hereto jointly and severally that in case the Exchequer Court of Canada fixes the value of the line of railway and other property set out in schedule 'C' hereto at a sum less than $2,500,000, the difference between the sum so fixed and the sum of $2,500,000 shall be deducted from the aggregate amount of the purchase price to be paid for the lines of railway and other properties set out in schedules 'B' and 'D' hereto.

"The intention of this agreement being that in no event shall His Majesty be liable to pay for the said three lines of railway and other properties a greater amount than the value thereof as fixed by the Exchequer Court less the sum of $2,500,000, the amount of the bonds to be assumed by His Majesty as aforesaid."

The judge explains that he takes it for granted that the various railway companies had good titles to the properties that were transferred to the Department of Railways. He also explains how he had arranged the proceedings before the Court, as follows:

I came to the conclusion that the only practical way of arriving at a result would be to adopt the method adopted in the arbitration in which I acted as counsel for the Canadian Pacific Railway Company, in regard to what was known as the Onderdonk sections of the railway in British Columbia.

He says further:

Competent experts were employed by the Crown to make a minute examination of the three lines of railway and to furnish in detail what they considered the proper amount to be deducted for depreciation. A large amount of time was occupied by these gentlemen in making this inquiry. Subsequently the railway companies, by their counsel, accepted as

correct the amounts as found by the experts for the Crown. The amount of the depreciation to be offset against the value of the railways has therefore been settled. The figures I will deal with later.

He says further:

Another question of considerable importance is in regard to the offset referred to in the statute as subsidies.

And he explains that he had to deduct from the actual value not only the federal subsidies but the provincial subsidies as well.

Mr. COCHRANE: He also refused to allow interest during construction.

Mr. PUGSLEY: He allowed it during actual construction, but the Company claimed it during several years.

Mr. COCHRANE: No.

Mr. PUGSLEY: The company was claiming interest right along for several years.

Mr. COCHRANE: I know, but we refused to allow it during construction. The witnesses admitted it would require three years to build the road.

Mr. LEMIEUX: Now, as to the account as filed by the railways. As I have said, there are three railways, the Montmorency, the Quebec and Saguenay and the Lotbinière and Megantic. The judge said:

I will deal first with that relating to the Montmorency division. The first item is dated July 1, 1898: road and equipment, real estate, buildings, etc., Montmorency division, $2,038,-149.49. This starting point is assumed by the railways to have been the cost of construction up to that date. At the date in question, namely, the 1st July, 1898, according to Colonel Wurtele, the road had been constructed as far as Ste. Anne's. The mileage of this road was about 21 miles, and it may be that they were running a mile or two beyond. Even if it were granted that 22 miles instead of 21 miles of the railway had been constructed at that date, the cost would be in the neighborhood of $92,500 a mile. Colonel Wurtele puts it about $100,000. It seems a high figure. It is stated by counsel for the railway company that a certain portion of the right of way beyond Ste. Anne's had been procured. This may or may not be so. The proof before me is lacking on this point. Here there is a distinct difference between the views put forward by the counsel for the railway company, and the counsel for the Crown. The counsel for the railway company contend that what the court has to do, is to find the cost as if it were an accounting between the directors of the railway and its shareholders; and that this amount being shown by the books of the company as the amount expended at that date, should therefore be accepted as the cost. Numerous witnesses were called, gentlemen of good standing—accountants from Montreal—who gave evidence as to the custom in regard to the charging up of interest, etc., to capital account.

When I deal with the case of the Saguenay Railway, the absurdity of this contention put forward on the part of the railway company will be apparent. The directors of a company might have to pay fifty per cent commission for obtaining a loan of a million dollars. It would undoubtedly be quite right as between themselves and their shareholders to charge this fifty per cent in their accounts. So also they might delay construction for a period of say 20 years, in the meanwhile paying interest on this bonded indebtedness. As between the directors and their shareholders, as a matter of book-keeping, it may be quite reasonable to charge up every item of expenditure. But the case before me is of a different character. I am not dealing with the accounts as between the shareholders and their directors. What I have to ascertain is the value as between the vendor and the purchaser and that value must be the actual cost of the railways, less subsidies and less depreciation.

He goes on:

Now it is admitted that these two items of $500,000 referred to in schedule "A," and also the item of $794,869.58 floating liabilities, comprise part of this item of $2,038,149.40. Crown counsel in their statement were of opinion that these two items of $500,000 and $794,869.58 should be taken as the cost up to that date, namely July 1st, 1898. I do not agree with that contention. I fail to see how it can be assumed without further proof that the proceeds of these interim bonds, namely $500,000, went into the construction of the railway. They may or may not. That is a question of proof. The bonds were held by the various parties shown on page 15 as Schedule "A." They were held as collateral security by the various parties. What the nature of the debts due to these various parties is I would have thought susceptible of proof—at all events before such an item can be allowed, further inquiry will be necessary, and so with regard to the liabilities.

The judge put aside this first claim of $500,000.

It would be impossible to accept Colonel Wurtele's evidence as proving the fact that these two particular items went into the construction of the railway. Other evidence would be required before I would be willing to accept those two sums of $500,000 and $794,869.58 as having been expended in the construction of this 21 miles of railway.

So here are two items, totalling $1,294,-869.58, which are put aside by the judge for good and valid reasons, and I would strongly object to these two items reappearing in the Estimates and being paid to the company when it was understood last year, by the statute passed by this Parliament, that the judge of the Exchequer Court would fix the amounts due to the railway companies for the actual value of the railways.

Mr. MURPHY: Do these two items reappear in the Estimates?

Mr. LEMIEUX: I do not know. The hon. gentleman does not say so.

Mr. COCHRANE: We do not propose to pay anything unless the judge gives a verdict for it.

Mr. LEMIEUX: I have dealt now with the two biggest items which are put aside by the judge of the Exchequer Court in the case of the Montmorency railway. To show the discrepancy between the experts of the company as to the cost of construction, I shall call the attention of the committe to this remark made by the judge:

I may call the attention of counsel to the fact that in the trust deed, Schedule "D," at page 19, there is the estimate of cost of constructing certain extensions. The total is 11 miles—and the total estimate is $149,947, which would be under $14,000 a mile—and while of course the main railway previously built may not have been built at that low figure, the contrast between the two figures, namely, $92,500 a mile, and the $14,000 a mile, is striking.

It shows that there was lots of bookkeeping in the office of the company. Now he comes to the Lotbinière and Megantic Railway, and says:

Dealing with the Megantic Railway the amount involved in connection with this railway is, comparatively speaking, not very large, but I think that further proof of a similar nature to that suggested in regard to the Montmorency Railway should be forthcoming. The only evidence given is that of Mr. Robbins, the manager of the railway, and is mere surmise. He may or may not be correct when he states that it would probably cost about $11,000 a mile.

No direct evidence is adduced as to the actual cost of the construction of the railway. Now he comes to the Saguenay Railway, which is the third white elephant. He says:

Mr. Matthews, the manager of the railway, was called as a witness. He states that the construction of the Quebec and Saguenay Railway was started in April or May, 1911. Previous to that he believes exploration surveys were made. He points out that the main construction on this road stops some time about September, 1912, but that certain small constructions were continued for quite awhile.

As I intend to make some extended remarks on this subject, we might as well call it six o'clock.

Progress reported.

On motion of Right Hon. Sir George Foster, the House adjourned at 6 p.m.

Monday, August 27, 1917.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

STELLARTON PUBLIC BUILDING.

Mr. MACDONALD:

1. Has any land been purchased for a public building at Stellarton, N.S.?
2. If so, from whom?
3. What was the price paid?
4. How was price fixed?
5. If by expropriation proceedings, what was the date of the order of said court?

Mr. REID:

1. Yes.
2. From Mrs. Mary Ann McKay and her heirs.
3. $4,000, of which $1,375, amount of appropriation available, has been paid.
4. By agreement.
5. (a) Land was expropriated, as a number of the heirs are widely scattered and the whereabouts of some unknown; a bond to cover payment has been accepted from Catherine A. McKay, executrix, John G. Reid and E. F. Munro. (b) There was no order of the court.

CANADIAN ASSOCIATION OF RETURNED SOLDIERS.

*Mr. PROULX:

Referring to page 331 of the printed proceedings of the Special Parliamentary Committee on Returned Soldiers and to the applicants for the charter of the Canadian Association of Returned Soldiers, Ottawa District—enumerated thereon, namely, Kenneth Clarke Macpherson, Joseph Bernard Henshaw, William Pemberton Morling, Joshua Zivian, John Reginald Phillips, Harry Lewis, Alexander Kirkwood, Hugh Spencer Ralph, William Craig, Arthur Lapointe and William Lewis:

1. How many of the said applicants, in addition to Kenneth Clarke Macpherson and Joseph Zivian, are in government employ?
2. What positions do they hold, and what salaries are they paid?

Mr. SEVIGNY:

1. Department of the Interior—three. Department of Militia and Defence—four.

2. Department of the Interior: Joseph Bernard Henshaw, clerk, Accounts Branch, $1,200 per annum; Alexander Kirkwood, clerk, Registration Branch, $900 per annum; Harry Lewis, clerk, Seed Grain Branch, $900 per annum. Department of Militia and Defence: Lt. W. P. Morling, employed in Estates Branch, Militia Department, $4.10 per diem; J. R. Phillips, employed in Casualty Pay Office, Militia Department,

$3.35 per diem; Major H. S. Ralph, officer in charge of estates, Militia Department, $7.50 per diem; Wm. Craig, permanent Civil Servant, Inside Civil Service, Militia Department, $1,200 per annum.

MR. N. H. R. KNIGHT.

Mr. PROULX:

1. Is Mr. N. H. R. Knight, secretary of the Great War Veterans Association, in the employ of the Government?
2 If so, in what capacity, and at what salary?
3. What amount has been paid to him to date?

Mr. SEVIGNY:

1. No.
2. Answered by No. 1.
3. Norman F. R. Knight was employed as Customs Landing Waiter from 21st to 26th March, 1917, when he resigned—the amount paid him being $14.52.

SAMUEL POMMEROY.

Mr. KYTE:

1. Is there at present, or has there been within the last twelve months, one Samuel Pommeroy, in the employ of the district engineer of the Department of Public Works at Winnipeg?
2. If so, when was he appointed, what salary does he receive, and what are his duties?

Mr. REID:

1. Yes.
2. (a) Appointed September 26, 1916, in district Engineer's office, Winnipeg, and transferred as assistant superintendent of shipyard at Selkirk on July 1, 1917, (b) $100 per month, (c) the duties usually performed by such an official.

DAWSON POST OFFICE.

Mr. KYTE:

1. Is it the intention of the Government to expend any money for the improvement of the post office at Dawson, Yukon Territory?
2. What amount, if any, is proposed to be spent upon the vault in said post office?
3. Has the Government any report from any of its officials in Dawson asking for such expenditure?
4. If so, will copy of such correspondence be produced?

Mr. REID:

1 and 2. $10,000 placed in the Estimates for that purpose.
3. Yes.
4. Yes.

QUESTION PASSED AS ORDER FOR RETURN.

Mr. MACDONALD:

1. How many officers are employed or attached to the Department of Militia overseas, in the various departments and offices?

[Mr. Sevigny.]

2. How many non-commissioned officers and men, respectively, are so employed?
3. What is the total amount paid per month for salaries to such officers and men?

UNOPPOSED MOTIONS FOR PAPERS.

Mr. Currie.—For a copy of the report made by Captain Sir Henry Norman, Bart, M.P., Liaison officer of the British Ministry of Munitions to the French Ministry of Inventions, for the Right Hon. David Lloyd George, M.P., concerning the treatment and training of disabled and discharged soldiers in France.

Mr. Chisholm—For a copy of all letters, telegrams, petitions, communications and documents of all kinds referring to a request for having the mail for Marble Mountain come from Eden Platform instead of West Bay Road.

NAVAL SERVICE AT HALIFAX.

Mr. G. W. KYTE (Richmond) moved:

For a return giving the names, rank, pay nature and date of employment and previous service of (a) All officers employed in or connected with the Naval Service at Halifax, including patrol service; (b) All civilians appointed since November, 1911. Also giving a list of the number, names and rate of pay of returned soldiers or sailors included in (a).

Hon. J. D. HAZEN (Minister of Marine and Fisheries): I would suggest to the member for Richmond that he let this motion stand, together with the one following, which is the same except that it refers to Sydney. I called the attention of the deputy minister to these two motions this morning, and he informed me that without the employment of a special staff it would be impossible to get the information ready before the next session of Parliament. I fancy that the information my hon. friend wants is really not as extensive as this motion indicates, and I suggest that he discuss the matter with the deputy minister and let him know just what he wants. The matter may then be expedited and there may not be the necessity for such a voluminous return as would be necessary if this motion were adopted.

Motion stands.

PURCHASES IN CANADA BY BRITISH GOVERNMENT.

STATEMENT AS TO MUNITIONS, AND OTHER SUPPLIES—IMPERIAL EXPENDITURES IN CANADA.

On the Orders of the Day:

Mr. W. F. MACLEAN (South York): I should like to direct the attention of the Government to the following statement in the press of to-day

Toronto, August 25. The British Food Controller has notified the Canadian packers that no more Canadian bacon or hogs will be bought by the British Government.

Is there any foundation for that statement, and has it any relation to the rumour that the American Government expected the Allies, in view of the large loans that they had obtained in the United States, to buy provisions and munitions in that country?

Sir ROBERT BORDEN: We have no information with regard to the matter alluded to by the hon. gentleman, except that which is contained in the press despatch. There has been no official communication on the subject.

Mr. W. F. MACLEAN: There is also a statement in the papers to-day that the purchase of munitions in Canada is practically to cease. What foundation is there for that statement? An official representative of the Munitions Board intimated in Toronto on Saturday that orders for munitions would from this time be greatly reduced.

Sir THOMAS WHITE: In answer to my hon. friend (Mr. Maclean) and my hon. friend (Mr. Macdonald), who, I believe, raised the question on Saturday, I desire to read to the House a statement which was handed to the press by the Chairman of the Imperial Munitions Board. It is:

Ottawa, 21st August 1917.

Towards the close of 1916 the capacity for producing munitions in Great Britain had so increased that the Minister of Munitions advised that it was unnecessary to continue the production of munitions in the United States for British account, except for a few special lines. The production in Canada, however, was continued as before.

The minister has now advised that it is unnecessary to continue production in Canada on the present scale. He has directed that certain lines shall be discontinued; that other lines shall be produced in lessened quantities; while some lines are to be continued as at present.

The effect of this will be to stop the production of shells and components at some plants which are now producing sizes no longer required.

In other plants, where shells are made of sizes of which a reduced output only is required, it will mean working during the day only, thus stopping night work. In other plants, however, where sustained production is required, operations will be continued night as well as day.

These changes have been anticipated by several important firms, who have already resumed, or are planning to resume, their prewar activities in their own lines, while others are engaged in the production or preparation for production, of equipment needed for ships now under construction or to be built during 1918.

For the further information of the House, I may say that the Dominion Government has advanced to date to the Imperial Munitions Board, for the purchase of munitions in Canada, the sum of $285,000,000. There has also been advanced to the Imperial Munitions Board by the chartered banks of Canada in the same connection the sum of $100,000,000. The Dominion Government, during many months past, has been advancing to the Imperial Treasury, for the purchase of munitions in Canada, the sum of $25,000,000 per month. During July, we advanced $35,000,000; during August we are advancing $35,000,000, and we have arranged to continue the advances of $25,000,000 a month, during September, October, November and December, so that the Dominion Government will continue to make the advances which we have been making in the past. As I have pointed out, during July and August we increased the amount of our advances by $10,000,000 each month.

I may also say in this connection, as it has a bearing upon the question of the Imperial expenditure in Canada, that the Government arranged in July, in addition to undertaking the programme which I have mentioned, that is to say, of furnishing $35,000,000 in July, $35,000,000 in August and $25,000,000 per month for the balance of the year, to furnish the sum of $50,000,000 for the purchase of cheese, hay, oats and flour in Canada. I have repeatedly pointed out to the House that the British Government can purchase on this side of the Atlantic only to the extent that they can raise money on this side of the Atlantic. In order to provide the farmers of Canada with an export market for their cheese, we arranged to provide $40,000,000, which is the export value at the prices fixed of the cheese production of Canada, that $40,000,000 to be paid out during July, August, September and October. In addition to that sum, $10,000,000 was supplied for the purchase of hay, oats and flour. The House will thus get an idea of the magnitude of our financial transactions in connection with the purchase of these supplies in Canada.

Sir WILFRID LAURIER: Are those advances for cheese and hay made to the Imperial authorities?

Sir THOMAS WHITE: Yes.

Sir WILFRID LAURIER: Who makes the purchases and who have charge of the distribution of the money in this country?

Sir THOMAS WHITE: The Imperial Government, as my right hon. friend may

recall, sent out a commissioner, Mr. McGowan, associated with whom are two officials of the Department of Agriculture. They constitute a Cheese Commission, who, after taking up the matter with the various cheese exchanges and, I think, representative farmers and dealers, fixed a price for cheese. The purchases to which I allude have been made by that Cheese Commission?

Mr. MURPHY: In view of the statement just made by the Minister of Finance in answer to the question asked by the hon. member for South York (Mr. W. F. Maclean), may I ask the Minister of Labour if the Government or the Department of Labour have done anything to cope with the dislocation of labour resulting from the curtailment of work in the munition factories?

Mr. CROTHERS: Nothing has as yet been done?

Mr. W. F. MACLEAN: The Minister of Finance says that he is financing for the purchase of Canadian commodities for the use of the British Government. I have also had confirmed the statement that the British Government will now cease to buy our bacon production. If we financed the purchase of that bacon production, would they continue to buy from us?

Sir THOMAS WHITE: Th matter has not been drawn to my attention. I have no doubt the British Government could arrange to finance the purchase of our bacon production.

Sir SAM HUGHES: What control, if any, does the Canadian Government exercise over the expenditure of this money? By whom is it expended?

Sir THOMAS WHITE: The House is aware that, so far as concerns our expenditure in Great Britain and upon the continent, we borrow money from the Imperial Government. The reason for that is obvious. That expenditure has to be paid in sterling money or in the currency of France or Belgium. We, therefore, borrow from Great Britain all money necessary for our expenditures in Great Britain and on the continent in respect of our overseas forces. As a set-off to that expenditure, the Imperial Government asks us here to furnish them with credit from which they may purchase munitions, cheese, hay, oats, and other products. The Imperial Munitions Board was created by the Imperial Government. It takes its instructions from the Imperial Government and gives orders to Canadian manufacturers according to instructions which it receives from the Imperial Government. As to the details of this administration I am not familiar, because, as I have pointed out, it is an Imperial and not a Dominion Government board. The Imperial Government ask us to place the Imperial Munitions Board in funds from month to month to the amount that I have mentioned. So far as our transactions are concerned, therefore, they are with the Imperial Government which furnish us with money in Great Britain and on the continent, we supplying them with money here with which to pay for their commitments for munitions and other supplies.

Mr. MACDONALD: Will the minister have any objection to ascertaining what particular class of munitions are to continue to be supplied and what are to be stopped, because there are certain sections of the country which are engaged in manufacturing munitions of a certain type, such as 4.5 inch shells, 18-pounders, shrapnel, and so on, and the employees in those factories have been notified that their services have been dispensed with? It is a matter of importance to the public to know whether there is any likelihood of the production of these munitions being resumed.

Sir THOMAS WHITE: The Chairman of the Imperial Munitions Board is out of the city at the present time. If the hon. member urgently desires the information, I should advise him to see the secretary of the board. I will, however, make further inquiries and will probably make a further statement.

THE BABTIE REPORT—DR. BRUCE'S REPLY.

On the Orders of the Day:

Sir ROBERT BORDEN: On various occasions some hon. gentlemen have expressed their desire that a memorandum made by Colonel Bruce with respect to matters set forth in a report of the commission of which General Sir William Babtie was chairman, shall be laid upon the Table of the House. I have given the matter the best consideration that I could, and I do not think it is a

document which ought to be laid on the table of the House by the Government. It is not an official report, as Colonel Bruce was not requested or empowered by any competent authority to make the memorandum in question. That fact is further established by the circumstance that, as I am informed, he sent a copy of it to some hon. members of this House, which certainly he would not have done if he had believed it to be an official report in the ordinary sense.

There is also the further consideration that he has been seconded to the Royal Army Medical Service, and I am informed that the memorandum which he has prepared deals with the administration of that service. It seems, therefore, that the War Office ought to be consulted before any document of that kind put forward by an officer of the British service should be laid on the table of this House by the Government.

I should also like to correct a misapprehension, which, if I understand correctly, has arisen with regard to his opportunity to be heard before the Babtie Commission, of which Sir William Babtie was chairman, and four very eminent Canadian surgeons, whose names I have already given to the House, were members. The proceedings of the Board show that Colonel Bruce was called as a witness on November 27, 1916, recalled on November 28, and again on the 6th of December, on which date he was twice heard, and also on the 16th of December. A memorandum has been placed in my hands containing an extract from the secretary of the board, in the following words:

"The Board directs me to say that neither General Jones nor Colonel Bruce asked to be allowed to be present throughout the inquiry being made by the Board."

Sir SAM HUGHES: Which board—the Bruce or the Babtie board?

Sir ROBERT BORDEN: The Baptie Board. My hon. friend (Sir Sam Hughes) also made inquiry in this connection as to what changes and improvements had been made in the administration of the Canadian Army Medical Service. I have a telegram dated August 23, 1917 from Sir George Perley in the following words:

Prime Minister,
Ottawa.

Director Medical Services submits following:

Department is receptive to suggestions irrespective of their source. All suggestions, recommendations are carefully considered, and if deemed advisable are put into effect. Following are some improvements effected in this service since January 1, 1917.

(1) Systematic routine inspection of Canadians in hospitals in United Kingdom to select cases requiring further treatment in Canada.

(2) Establishment of a 1,300-bed hospital at Liverpool to assemble patients for Canada and facilitate prompt embarkation. Arrangements made for assembly insane patients for Canada at Mental Hospital near Liverpool for convenient embarkation.

(3) Provision of hospital ship service from Liverpool to Canada for invalids.

(4) Hospital accommodation in England has been expanded by over 5,000 primary beds and sufficient convalescent beds to adequately meet Canadian requirements. Arrangements completed for further expansion that will provide sufficient hospital accommodation for all tuberculose and venereal patients.

(5) Arrangements made by which War Office provides reliefs for Canadian medicals units in Mediterranean, these units returning for duty in England.

(6) Greater economy in use of personnel by deciding number requisite for each medical unit and adhering to such limitation.

(7) Completion of consultant and inspection service on systematic basis. All patients in Canadian hospitals inspected semi-monthly and routine inspections made of Canadians in British hospitals.

(8) Improved system for controlling movement and prompt evacuation of patients from hospitals.

(9) While segregation of Canadians in Canadian hospitals is impracticable and inadvisable, arrangements have been made whereby those sent to British hospitals are distributed to hospitals readily accessible to Canadian inspectors and convenient for movement to Canadian hospitals for final disposition.

(10) Systematic inspection and control of hospital and medical records to ensure completeness and accuracy of same.

(11) System for strict control of laboratory service.

(12) Improved system of controlling hospital food supplies to ensure economy.

(13) Abolition of dual control of Shorncliffe military hospital group by arranging with British authorities to resume their control and administration. The A. D. M. S., Canadians, Folkestone, at request of British authorities, carries out administration of this group and reports direct to British authorities on all matters pertaining thereto.

(14) Abolition of dual administration of Red Cross Hospital by C.A.M.C. taking entire control.

(15) Abolition of purchasing bureau for medical supplies and equipment by turning same over to Quartermaster General's branch.

(16) Establishment of central medical stores where all medical supplies are received and carefully checked for distribution.

(17) Improved control of expenditures of medical stores and supplies by more strict and systematic checking of indents from units.

(18) Decentralization of medical boards and improvement of control through careful routine inspections and uniform standardization.

(19) Improved medical board form for the purpose of meeting provisions of Canadian pension laws.

(20) Standardization of fitness of soldiers according to physical grades, with system of control to provide uniform classification throughout service.

(21) Improved system of dealing with officer and nursing sister casualties by which convalescence is spent in hospital instead of on leave, thus controlling and shortening period of non-effectiveness.

(22) Adoption of complete and systematic measures for prevention and spread of communicable disease.

(23) C.A.M.C. Training School reorganized on proper military basis and staffed with personnel trained at front; an improved syllabus of training adopted based on experience gained in present war.

(24) Fair and definite policy adopted for promotion of officers and other ranks.

(25) Definite policy for giving officers overseas service which recognizes prior rights of those who have served longest in England; provision for return of officers of experience from overseas to serve in England or Canada.

(26) More complete co-ordination with services in France and Canada.

(27) More complete co-ordination, with exchange of all ranks, between Canadian Corps and medical units on lines of communications and at base.

(28) Arrangements for temporary expansion of army medical units at front during time of action by detail of personnel from medical units on lines of communication and at base.

(29) The majority of these improvements have been noted in monthly progress reports.

PERLEY.

OVERSEAS ADMINISTRATIVE STAFF.

STATEMENT BY THE PRIME MINISTER IN REPLY TO SIR SAM HUGHES.

On the Orders of the Day:

Right Hon. Sir ROBERT BORDEN (Prime Minister): Following an inquiry made in the House by my hon. friend from Victoria and Haliburton (Sir Sam Hughes) and other honourable members with respect to supposed increases in the administrative staff overseas of the Canadian Expeditionary Forces I despatched a telegram to Sir George Perley on the 14th of August, as follows:

Ottawa, August 14, 1917.

Perley,
London.

General Hughes made following allegations in House on seventh instant. "The statement is made that whereas General Carson administered the whole of Canada's war department in England with less than fifty men, and did it well, there are now twelve hundred to fifteen hundred men, not counting the pay officers, doing the work of the Adjutant General's Office and other offices. In fact, I understand that only about thirty men were employed by General Carson for this work." Please cable full statement for submission to Parliament showing what additions to departmental organization have been made and the reasons therefor. General Hughes also asserted that five or six buildings have been rented for accommodation of additional employees. Please cable statement as to this.

BORDEN.

To that I received the following reply:

[Sir Robert Borden.]

London, August 23rd, 1917.

Prime Minister,
Ottawa.

Referring your cable fourteenth regarding General Hughes' statement. Total number employed in connection with Administrative Headquarters at London, and Brighton on first December 1916 was one hundred thirty-four officers, five hundred sixty-six other ranks and civilians. On first August 1917 numbers were, one hundred thirty-nine officers, four hundred eighty-six other ranks and civilians. Brighton Headquarters having been absorbed in London, the reorganization provided for following branches: General Officer Commanding, General Staff, Adjutant General, Military Secretary, Secretary of Headquarters and Quartermaster General including Director Supply and Transport, Director Ordnance Services, Director Veterinary Services and Remounts, Stationery Department, Messing (?) and Barrack Services, Surplus Baggage Depot, Postal Services and Purchasing Department. Regarding buildings, we gave up the accommodation at Hotel Cecil and Cleveland House, St. James Square, both of which were being paid for from Canadian funds and in lieu thereof obtained from Imperial authorities free quarters which we now occupy. This entails saving of large annual sum and concentrates Medical Services and other departments, including ministry, about Oxford Circus. As result of reorganization eleven training brigades, each with Headquarters Staff, were reduced to six and Cavalry Brigade changed to Cavalry Regiment; fifty-seven reserve battalions were reduced to twenty-four; Crowborough and Brighton Headquarters were abolished and Hastings Command will be shortly.

Perley.

There is one word in this telegram, which has been translated "messing," of which I am not absolutely sure. It was a little difficult to decipher it, and the clerk who deciphered it fixed upon the word "messing" as the one probably intended.

Sir SAM HUGHES: Does it say "Brighton on August 1st, 1916"?

Sir ROBERT BORDEN: It says, "On 1st August, 1917, numbers were one hundred thirty-nine officers, four hundred eighty-six other ranks and civilians. Brighton Headquarters having been absorbed in London, the reorganization provided for following branches," et cetera, as I have already stated.

Sir SAM HUGHES: I do not understand "Brighton on August 1st, 1917," and then "Brighton August 1st 1917" again. I did not catch that point.

Sir ROBERT BORDEN: The first date given is December 1st, 1916.

Sir SAM HUGHES: I thought it was August 1st.

Sir ROBERT BORDEN: On December 1st, 1916, as I understand it, there was a

headquarters at Brighton which has since been absorbed in the London Headquarters, so that there is one headquarters doing the work of the two which were in existence on December 1st, 1916.

Sir SAM HUGHES: I understood it was August 1st. I was going to remark there was no such thing as headquarters at Brighton on August 1st, 1916.

Sir ROBERT BORDEN: It is December 1st.

Sir SAM HUGHES: It also speaks of the administrative branches, not the Adjutant General's Department alone.

THE $100,000,000 LOAN.

CORRECTION BY FINANCE MINISTER OF STATEMENT IN THE REGINA LEADER.

On the Orders of the Day:

Sir THOMAS WHITE (Minister of Finance): My attention has been called to an editorial in the Regina Morning Leader with reference to the $100,000,000 loan issue recently made by the Dominion Government in the city of New York, which does a great injustice to the Bank of Montreal. In this editorial the following appears:

> But while the Finance Minister of Canada himself did all the hard work in connection with the flotation of this loan, he allowed the Bank of Montreal a commission of 1¾ per cent. for lending him its assistance. In other words, out of this loan the Bank of Montreal receives the neat little sum of $1,750,000 as a commission. The commission originally arranged was 2 per cent., but the Bank of Montreal remitted one-quarter of one per cent., or $250,000.
>
> Why, asks the Toronto Star, and the Leader repeats the question, as we believe the people of Canada will repeat it, should the Bank of Montreal receive nearly two million dollars for its assistance to the minister, who himself negotiated the loan? Why should anybody make nearly two million dollars out of a loan negotiated for a patriotic purpose?

I desire to explain to the House, although so far as the House is concerned I believe the explanation is unnecessary, that the Bank of Montreal being our fiscal agents, the general manager, Sir Frederick Williams-Taylor, usually negotiates our foreign loans. In this case the underwriting and other commissions to the New York syndicate headed by Messrs. J. P. Morgan & Company, amounted to 2 per cent. The Bank of Montreal was able to obtain for the Government a remission of one-quarter of one per cent upon that commission of 2 per cent, leaving the net commission to the New York syndicate one and three-quarters per cent for underwriting and other commissions and expenses.

Mr. MACDONALD: In connection with this same question, will the minister allow me? It was stated in one of the United States financial papers that the cheque which was made to the Dominion Government was for $96,111,111. The minister stated to the House that the proceeds of the loan were $96,250,000. Was the cheque the Canadian Government received a cheque for $96,111,111?

Sir THOMAS WHITE: Yes.

Mr. MACDONALD: And, was the commission paid to the Bank of Montreal, out of the amount the Government received, or was it paid out of the original amount?

Sir THOMAS WHITE: I think what misled my hon. friend is the fact that the $111,111 was interest upon the amount from the date it was paid until the Bank of Montreal received it in New York for our account. The transaction was this: the issue was at 98; this would mean $98,000,000. Subtract from that $1,750,000, being commission at the rate of one and three-quarters per cent, and the net amount received was $96,250,000, as I told my hon. friend the other day. The $111,111 does not enter into it at all, because it is interest for some ten or eleven days. I am not absolutely accurate as to the number of days—upon the principal sum. I was dealing only with the principal, that is to say $96,250,000. That is the amount which was received for the loan.

Mr. MACDONALD: If the $111,111 was interest, then the amount the Government should have received would be $96,361,111.

Sir THOMAS WHITE: The $111,111 was interest paid by Messrs. J. P. Morgan and Company in respect of the money in their hands for the few days they had it before paying it over to the Bank of Montreal. When my hon. friend asks what the proceeds of a loan is, we understand by that term the net amount received, having regard to principal only, because as my hon. friend knows, interest is running upon the loan from the date of its issue. In this case the interest is $111,111, but this amount is not considered in making an answer as to the net amount of the loan.

Mr. MACDONALD: Was it paid by J. P. Morgan and Company to the Bank of Montreal or was it paid to the Dominion Government?

Sir THOMAS WHITE: As the Dominion has its account with the Bank of Montreal it would be paid to the Bank of Montreal

as our agent. The commission in connection with the underwriting and other expenses relating to the loan was paid to the syndicate headed by J. P. Morgan and Company, New York.

BOARD OF PENSION COMMISSIONERS.

STATEMENT BY THE PRIME MINISTER.

On the Orders of the Day:

Right Hon. Sir ROBERT BORDEN: My hon. friend from Pictou (Mr. Macdonald) made an inquiry with regard to a resolution on the Order Paper with respect to the Board of Pension Commissioners and the rates of pension. Hon. gentlemen will remember that on March 14, 1916, a committee was appointed for the purpose of taking into consideration the rates of pensions. On the 10th May, 1916, the committee made a unanimous report. The chairman of the committee, on the 18th May, moved that the report should be commended to the consideration of the Government. Parliament prorogued on the same day. There was not an opportunity to bring in legislation at that session. Accordingly, on the 3rd June, 1916, the recommendations of the committee were put into the form of an Order in Council and passed under the War Measures Act. By a resolution now on the Order Paper it was proposed that a similar committee should be appointed this year to take into consideration representations that had been made to the Government from various quarters, and more particularly by several organizations of returned soldiers, as to the desirability of increasing the rates of pensions thus allowed. This was urged for various reasons, several of which have a great deal of force. We have reached the conclusion that it would be impracticable to deal with the matter in a thorough and satisfactory manner at this session and that it is a subject which should be dealt with finally and permanently by the new Parliament which is to be summoned in the early future. There is, however, this consideration which the Government will have to take into account. Owing to the fact that since the committee made this report on May 10 last year the cost of living in Canada has very appreciably increased, it is thought reasonable and desirable that, pending the consideration of this question by Parliament, there should be some increase made, that it should be made on a percentage basis and that it should take effect from the beginning of the present fiscal year, which is the first of April last. Accordingly, as soon as the prorogation of Parliament permits, the Government propose to take the question into consideration in that regard for the purpose of affording temporary relief at this time and with the view of having the whole question exhaustively and finally settled by a new Parliament fresh from the people as soon as that Parliament has been summoned.

Mr. MURPHY: Did I understand my right hon. friend to state that the Government had decided to grant an increase, and if so, what is the rate of increase?

Sir ROBERT BORDEN: That has not been determined. We thought the increase in the cost of living made it only fair and reasonable, as well as desirable, that there should be an increase, to date from the first of April last, pending consideration by a new Parliament of the whole subject in an exhaustive and final way. It seems undesirable that so important a question should be dealt with finally by this Parliament. Therefore, we propose to give temporary relief by the method which I have mentioned, and the whole matter will then be entirely free for such disposition as the new Parliament may determine to make of it.

Mr. MURPHY: And the rate of that temporary increase will be determined after prorogation?

Sir ROBERT BORDEN: We will make probably a temporary percentage increase to meet the increased cost of living in the meantime, leaving it free to the new Parliament to deal with the whole question when it comes up for their consideration and determination.

Mr. NESBITT: The increase will apply to the pensions that have been granted, as well as to those to be granted in the future?

Sir ROBERT BORDEN: Yes, all would be dealt with on the same basis.

EXTENSION OF FRANCHISE TO WOMEN.

On the Orders of the day:

Hon. WILLIAM PUGSLEY (St. John): I call the attention of the Prime Minister to a question which I asked on Saturday. The Minister of Trade and Commerce stated that he would bring the matter to the attention of the Prime Minister and that an answer would be given to-day. It was in reference to the resolution dealing with woman suffrage. My right hon. friend will remember

that he moved an amendment to the motion to which I moved in amendment to the amendment declaring that in the opinion of the House the Bill to grant woman suffrage should be passed during the present session. The matter stood over and I quite remember that the minister who was leading the House at that time gave an assurance that there would be an opportunity to discuss the matter and that a day would be set. I would like to know, therefore, if there will be a day set for the discussion during the present session.

SIR ROBERT BORDEN: I did not have my attention directed to my hon. friend's question. I will give my hon. friend's suggestion the earliest consideration possible and I shall look up the record to see what was said. Does my hon. friend remember the particular date upon which the promise of further consideration was made?

Mr. PUGSLEY: I cannot say at the moment.

Sir ROBERT BORDEN: Probably it would be about the 16th day of May.

Mr. PUGSLEY: About that time.

SIR ROBERT BORDEN: I will give my hon. friend an answer later.

PRIVILEGE.

HON. MR. PUGSLEY CONTRADICTS NEWSPAPER REPORT.

On the Orders of the day:

Hon. WILLIAM PUGSLEY: Mr. Speaker. I rise to a question of privilege. In the Toronto News of Saturday last there appears this despatch from Ottawa:

C.P.R. Leads Bitter Fight.

Opposition to Public Ownership Being Waged on Floor of House.

Ottawa, Aug. 25.—One of the things which goes to prove that the taking over of the Canadian Northern by the Government is in the direct public interest, is the bitter and unreasoning opposition to the Bill by Hon. William Pugsley and Hon. George P. Graham. During the obstructive tactics which have been adopted in the discussion of the legislation in the House, Mr. Pugsley has constituted himself leader of the private ownership clique against public ownership. It is freely rumoured that in doing so, Mr. Pugsley is merely acting as spokesman and general counsel for the Canadian Pacific Railway. While the voice is the voice of Pugsley, the hand is the hand of Shaughnessy.

I desire, Mr. Speaker to give that statement an unqualified denial. I am not now, nor have I ever been in any way connected with the Canadian Pacific railway as counsel or otherwise. I have had no communication directly or indirectly with the Canadian Pacific railway or with any of its officials on the subject of the Canadian Northern railway.

OVERSEAS ADMINISTRATIVE STAFF.

FURTHER QUESTIONS BY SIR SAM HUGHES.

On the Orders of the day:

Sir SAM HUGHES: Without desiring to bring on any discussion on the Orders of the Day, I wish to ask my right hon. friend the Prime Minister (Sir Robert Borden) if he will be good enough—to relieve my doubt, and that there may be no equivocation—to furnish the following data: What staff was at Brighton in the middle of November, 1916?

Mr. SPEAKER: This information cannot be given now. The proper course to take is to place a question on the Order Paper in the ordinary way and thus obviate the possibility of inaccuracy.

Sir SAM HUGHES: Perhaps I can get some of the information now. I would prefer that the information with regard to the staff should not be limited to the administrative staff.

Mr. SPEAKER: I must ask the hon. gentleman to place his question on the Order Paper. The answer cannot possibly be forthcoming to-day.

Sir SAM HUGHES: But, Mr. Speaker, may I not refer to the answer which has been given by the Prime Minister? The Prime Minister spoke of the administrative staff. My statement refers to the staff and the answer given by him places me in the position before the public of having made a certain misstatement.

Mr. SPEAKER: Order. It is not competent for the hon. member to discuss at this stage an answer given by the Government. If he wishes an answer to a further question on the subject I must ask him to place his question on the Order Paper.

Sir SAM HUGHES: Mr. Speaker, I rise to a question of privilege. The statement which has been made to-day by the First Minister quotes me as having made reference to a certain number of clerks being employed in London. The answer of the Prime Minister speaks only of the admin-

istrative staff and it places them at over 500, but it does not take into account other staffs. The number employed has not been clearly stated.

Mr. SPEAKER: Order. The hon. member is not speaking to a question of privilege. He is not calling in question any inaccuracy in the statement. The hon. member has a right to ask a question in respect to a matter of urgency, or in respect to a return or something of that character, but he cannot discuss the matter. If he wishes to ask a further question, the answer to which cannot be forthcoming to-day, I would ask him to put his question on the Order Paper in the ordinary course.

Sir SAM HUGHES: I thank you, Mr. Speaker, for the information; I am following the very same procedure which has been known to exist here for a great many years. But I am entitled on a question of privilege to show that my statement in this House has not been contradicted here to-day by the statement made by the Prime Minister. There are a couple of other points but I shall not press them as a matter of privilege. I shall take an opportunity of putting them in the form of a question. I desire to ask the Prime Minister if he has any statement to make with regard to Col. Wilson.

Sir ROBERT BORDEN: No, I wrote my hon. friend a letter on that matter. I will give the House the information if my hon. friend desires.

CANADIAN RAILWAY SITUATION.

CONSIDERATION OF CANADIAN NORTHERN RAILWAY BILL RESUMED. IN COMMITTEE.

Consideration in committee of Bill No. 125, providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway Company—Sir Thomas White (Minister of Finance—resumed from Thursday, August 23, Mr. Rainville in the Chair.—

On section 1—Acquisition of shares of Canadian Northern railway authorized:

Mr. W. M. GERMAN (Welland): When this Bill was last in committee, I made a few remarks on its merits as I understood them, but as the Government appeared to be anxious that the committee should rise and the House preceed to other business.

[Sir Sam Hughes.]

I curtailed my remarks and I therefore desire to resume them. As I said then, so far as I am personally concerned, I am in perfect accord with the suggestion of taking over the Canadian Northern and its assets and properties, in the public interest. The two questions which to my mind are of paramount importance in connection with the matter are, first, the cost or price which is to be paid for the property, and, second, the system of management which is to be adopted. So far as the system of management is concerned. I have no hesitation whatever in saying that this railway system, together with the National Transcontinental railway, and the Intercolonial railway, the Prince Edward Island railway, the Hudson Bay railway all the railways owned by the Government, should be put under one Board of Management which should be absolutely free and independent of all political control, and that the combined properties should be operated by such an independent board on a strictly commercial basis in the interests of the public. I believe that by this means, instead of being a gigantic failure, as the Intercolonial has always proved to be, the combined systems could be operated with success and so to redound greatly to the benefit of the people and the best interests of the country.

4 p.m.

The question of operation is not so much to be considered in connection with this Bill, because the Government apparently intend to leave the operation in the hands of the present company, under its own control and supervision. But surely that management cannot last. It can be at the best but a temporary arrangement and a new Parliament will certainly have to deal with this question. I submit that the proper way to deal with it is on the lines I have suggested.

But the question for discussion here is particularly the terms on which this property is to be acquired, and to my mind, if the public ownership of these railways is to be a success, the principal thing to be considered is that we should first, as is said by racing men, get away to a good start; we should start right in order to be sure that we shall end right. The first consideration in starting is the cost of this property, what shall we pay for it? The Government have introduced this Bill in which they set forth that they shall acquire this property at a price to be determined by arbitration. They therefore enact in the Bill that a price shall be paid for the outstanding stock, the 600,000 shares of stock still outstand-

ing, this price to be fixed by arbitration. My contention is that, as there is no value to that stock, there is nothing to refer to a Board of Arbitrators, and there should be no arbitration in regard to the price of these outstanding shares. The Minister of Finance (Sir Thomas White) the other day, when addressing himself to this question, dwelt very strongly and somewhat lengthily on the equity of redemption, contending that there was an equity of redemption in the Canadian Northern Railway Company, which had a value, which value should be fixed. He said very emphatically that if there was a foreclosure, or if the property was taken over by expropriation, there would have to be a reference to the courts to determine the value of the property and the value of equity of redemption, and whether there was a value in the equity of redemption, and he contended that the value can be fixed under this Bill by arbitration as well as in any other matter. I submit that there is no equity of redemption, that there is no value to the stock.

Mr. BURNHAM: How could there be a foreclosure if there is no equity of redemption?

Mr. GERMAN: There is a very simple method of foreclosure which is provided for by the statute. This method of foreclosure was pointed out in 1914 by the Government very clearly and emphatically at the time that the Act providing for the guaranteeing of the $40,000,000 of securities was under discussion. At that time I read to the House certain language of the Prime Minister in regard to the method to be adopted in acquiring this property in the event of default. After I had concluded my remarks the Prime Minister stated that the suggestions which I had made had been frequently made on previous occasions, and as frequently answered. But I had never heard the suggestions made; much less had I heard them answered. The Minister of Finance, in his remarks on that question on Thursday last, made a similar statement. He said, however, not that these suggestions had been answered, but that they could be. He said he could very easily explain why proceedings should not be taken under section 24 of the Act of 1914 to acquire possession and control of this property. I should like to hear that explanation from the minister; I have not heard any up to this time either from him or from any other member of the Government. I have read what the Prime Minister said in 1914; let me read what the Minister of Finance said on that occasion when dealing with the subject of what method should be adopted in acquiring this property in the event of default. He said, page 3,943 of Hansard, 1914:

> If I have a mortgage on a company's undertaking I do not care very much for the stock as security except that it is advisable to have the stock in order that I can take possession of the company, put in my own receiver, and operate the company with my own board of directors. That is the only advantage. The stock does not give any higher security, but it makes the realization of the security a little more convenient. What security have we? I have seen a good deal of financing in my time, and I know something of law although my hon. friend from Pictou (Mr. Macdonald) does not think so, and I want to say this: I have never seen as effectual a means of entering into possession of a property upon which a mortgage is held as has been devised by the Solicitor General in connection with this transaction.

Then he goes on to say, at page 3,944:

> I was dealing with the question of remedy upon default, and was pointing out that we have a much better control than would be afforded by the security of a majority or all of the stock of the Canadian Northern. What have we? Upon default, the Order in Council at once becomes a rule of court, and is absolutely beyond question so far as its authority is concerned. We can displace the board of directors of any or all of the companies by directors of our own choice, who are given power to carry on the road as provided in the resolutions, and it is open to the Government through Parliament to deal with that road by way of sale or otherwise, as may be expedient and in the public interests. It can be sold in whole or in part to a corporation, or it can be operated in the interests of the public of Canada.

I call upon the Minister of Finance to explain why he does not, under that Act, take over that property and operate it in the interests of the public of Canada. There is nothing to prevent his doing so; in fact, the majority report of the Drayton-Acworth Commission recommends it. At page LXXXIV, the commissioners say:

> In the case of the Canadian Northern Railway Company no proceedings in court are requisite. Under the provisions of section 24 of the Canadian Northern Railway Guarantee Act, 1914, the Governor General in Council has power, when authorized by Parliament, to declare by order, if default is made by the company in payment of interest on the $45,000,000 guaranteed securities (the interest on which is at present being found by the Government) that the equity of redemption of the company is absolutely barred and foreclosed; and thereupon the whole property becomes vested in His Majesty in right of the Dominion of Canada.

I cannot understand what explanation the minister can make of his present atti-

tude on this question, having regard to these recommendations made by the commissioners.

Sir THOMAS WHITE: If my hon. friend will turn to page LVIII of the Drayton-Acworth report he will find the recommendation that the trustees acquire this stock, just as we propose to acquire it, and continue the company as a going concern. They say that if the company is not willing to do that it can be forced to do it under the legislation of 1914. They suggest that the Canadian Northern Railway stock should be conveyed to the trustees precisely as we have determined that it shall be conveyed to the Dominion Government.

Mr. GERMAN: Assuming that the minister is right in that, why does he not go further? If it is his desire to carry out the suggestions of the commissioners in one particular, why not carry them out in other particulars? The commissioners say, it is true, that the trustees should acquire the stock, but they say, also, that the stock has absolutely no value; they do not recommend that the trustees pay anything for it. If the Canadian Northern refuses to hand over the stock, which the commissioners say they should do without consideration, the Government can exercise their right under section 24 of the Act of 1914. Let the Government carry out the suggestion of the commissioners. Let them say to the Canadian Northern Railway Company: You must hand over that 600,000 shares of stock; if you do not do so, we will take proceedings under section 24 of the Act of 1914. The commissioners say not only that the shares are of no value, but that the liabilities against the property are many millions more than the property is worth. They do suggest, however, that a sort of honorarium ought to be given to Mackenzie and Mann for their services, their time and trouble; they mention $1,500,000 worth of stock as being the maximum consideration in that regard. There is no suggestion that Mackenzie and Mann or the Canadian Northern Railway Company should receive cash. They say that as Mackenzie and Mann have devoted much time and trouble to the building of a good road through a prosperous section of the country, the Government might reasonable consider it fair and equitable to give them some compensation for their years of labour. But what are the Government doing? They are referring to a board of arbitration the question of what value shall be given to these shares at the time of the signing of the agreement between the Canadian Northern Railway Company and the Government.

The Government is actually suggesting that there is a value or price of some kind to be put on the shares, and no doubt the Canadian Northern will suggest that to their counsel who appear before the arbitrators. They will say to the arbitrators: There is some value in these shares; it is for you to fix what that value is. That value, moreover, is to be fixed as of the time the agreement is signed, and at a time that agreement is signed, those shares will have a very much greater value than they have at the present time. If they have no value at the present time, the mere fact that the Government is taking over the property, assuming all the liabilities, gives a value to those shares which Messrs. Drayton and Acworth say have no value. Why should not the findings of this Royal Commission be accepted by the Government? The Royal Commission was composed of expert railwaymen. Mr. A. H. Smith, president of the New York Central Railroad, is one of the best railway men in America; Mr. W. M. Acworth is one of the leading authorities on railway matters, and Sir Henry Drayton is undoubtedly a man of experience in railway matters. They have gone into this question fully, impartially and with a desire to ascertain definitely and to put before the country clearly the true situation in regard to the whole railway problem in Canada, and to recommend to the Government and to the Canadian people what should be done in that regard in view of existing conditions. What do they find? I have already given the findings in this House and they might be stated again, because at the present time there is not any question of as great importance as this railway question. It is a matter that must be grappled with courageously and dealt with frankly, honestly and squarely in the interest of the people of this country. This is a gigantic undertaking for the people of Canada to assume, and it will require careful and honest management. This Royal Commission ascertained the value of the property from three different aspects. In the first place they valued it as a cash investment, the cash actually put into the property, and they found that to amount to $383,302,451. There is no reason in the world why any one should dispute the accuracy of those figures. The commission had the best men they could get to aid them in their inquiry, and I have not heard of those figures being disputed, even by the

Canadian Northern Railway Company. They also say:

> We find then $370,000,000 to be the maximum possible cost of the Canadian Northern system as at present existing. In other words, as indeed is frankly admitted by Canadian Northern witnesses, the Canadian Northern shares represent no cash investment.

They also ascertained the value on the physical basis, and they say that the actual value of the road on a physical basis in its present condition is $357,409,678, and that the equipment is at the present time worth $45,339,985, making a total of $402,749,663. Then they ascertained the value of the property as a going concern, and on that basis they say that the shares have absolutely no value. In view of all that, if the Government is desirous of dealing with this matter fairly, and honestly in the interest of the people who are to own the road, I cannot understand why the Government should assert that there is a value to those shares.

On Thursday last the Minister of Finance stated that there had been something like $65,000,000 of an error made in the calculations of the Royal Commision; that there was about $25,000,000 of liabilities which had been added which should not have been added, and that there was about $40,000,000 of assets which had not been considered. I understand that is quite incorrect. I understand that those assets and liabilities, so called, were considered by the Royal Commission, and I believe, before the discussion on this Bill is concluded, it will be shown conclusively that those assets and liabilities were taken into consideration and were dealt with along with the other assets and liabilities of the company. But, supposing there had been an error as is suggested, what would the effect be? We find that the actual value of the property as ascertained by the Royal Commission is $370,000,000. What are the liabilities? According to the balance sheet of last year the liabilities of the Canadian Northern, leaving out the stock and a balance of about $39,000,000 which they claim as a profit, we have the actual liabilities of the company as $438,000,000. Assuming for a moment that there is an error of $65,000,000, that will leave $373,000,000 as the liabilities which the people of Canada will assume in taking over this property. The Royal Commissioners say that, under no possible circumstances, could the property have cost more than $370,000,000, so that even supposing there had been an error of $65,000,000, as is contended, there is still a surplus of liabilities, over any money which could have been put into the road, of more than $3,000,000.

That being so, I really cannot understand why the Government is deliberately attempting to give several million dollars more to these men or to their creditors—because that is what it will mean. I have no desire that Mackenzie and Mann should be dealt with harshly, but we must remember that Mackenzie and Mann took the chances of keeping all the stock in their own hands and of financing this great system by government guarantees and bonuses and land grants, without putting one dollar of their own private money into the enterprise, or paying one dollar for the stock. If Mackenzie and Mann had in the beginning associated with themselves some strong financial man who were really interested in railway operation, and if these men had put their money into the system and paid something for the shares, I would feel that they were entitled to get something out of it. But Mackenzie and Mann have financed the road altogether on public money. Not one dollar of their own money has gone into the road, and what is more, Mackenzie and Mann were the contractors who built the road for the company at their own price. Mackenzie and Mann gave the contract for building the road to themselves at their own price; there was no competition whatever, and they then sublet the work to other contractors, undoubtedly at a figure which would yield them a profit on the work. I, for one, do not believe that Mackenzie and Mann during all these years have not made money for themselves out of this gigantic enterprise. It is absolutely unbelievable. I cannot believe it myself, nor do I think any man in this country will believe it. Mackenzie and Mann themselves have never taken the trouble to deny it. It is true that Mr. Mitchell and Mr. Hanna have stated that the books of the company do not show that any money has been paid to Mackenzie and Mann, but every one knows that there are a thousand-and-one ways in which money can be paid out without it appearing in the books of the company as having been paid to any particular person, and until I see their statement under oath, I, for one, cannot and will not believe that Mackenzie and Mann have made no profit out of this enterprise from the beginning up to the present time.

I have given as distinctly as I could the views I hold on this question. As I

have said, it is a gigantic undertaking for the people of Canada to assume. We are running up in this country an enormous indebtedness in consequence of this disastrous war, but even before the war, there was an enormous increase in our public debt, and it behooves us who represent the people in this Parliament to take the greatest possible care that the indebtedness of Canada is not unduly and unnecessarily increased. By the taking over of this property we shall be adding enormously to our burdens. We are actually assuming a burden of many million dollars more than the property costs or could be duplicated for to-day, and on top of that, the Government is suggesting that Mackenzie and Mann have an equity of redemption in this property. Notwithstanding what has been said by the Royal Commissioners, the Government suggests that these shares have a value, and that the value should be fixed by arbitration. I deprecate as strongly as I can any such suggestion. I say that the Government should act under section 24 in the manner they told this Parliament they would act. The Government in 1914 took credit for having so carefully safeguarded the interests of the people, and pledged themselves to the people of Canada that if default took place, they would take over the property and operate it, so the Minister of Finance said, "in the interests of the public of Canada." I call on the Government now to carry out in good faith the pledge which they made at that time, and which was embodied in the Act of 1914. It is perhaps well that I should read section 24, in order that the matter may be fully understood:

If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada.

Mr. MORPHY: If the hon. gentleman knew that there was an equity of say, one million dollars, coming to Mackenzie and Mann, would he advocate that the Government rob Mackenzie and Mann of that amount and put it in the treasury?

Mr. GERMAN: If there was an equity of a million dollars coming to Mackenzie and Mann, I would say that they should have a million dollars. I do not want to rob Mackenzie and Mann. But what I cannot understand is why the Government should even suggest that there is an equity in the face of the statement that has been made by men of the highest standing in this country and of long experience in railway matters, that there is no equity. What body of men could be got together who could make a more thorough, a more honest, and a more trustworthy investigation that could be relied on implicitly, than the one made by Messrs. Drayton and Acworth?

Mr. BURNHAM: Is it not true that they overlooked $25,000,000?

Mr. GERMAN: That statement has been made, but I have been told that such is not the case. I think it will be shown before this debate is ended that Messrs. Drayton, Acworth and Smith took those assets and liabilities into consideration. The Finance Minister shakes his head. But even assuming that a mistake was made, if we give them credit for $65,000,000, there is still a burden of liabilities over and above the value of the property, which, on whatever basis you make the calculation, amounts to about $3,000,000.

How can hon. gentlemen even suggest that there is such a value. I read the other day the remarks made by the Prime Minister in 1914. In speaking of the properties and the interests which were foreclosed he said: "It includes Mackenzie and Mann as a corporation and Mackenzie and Mann individually . . . they agreed that they will not at any time make or seek to enforce any claim," etc. It is all on Hansard, and there is no use repeating it. Mackenzie and Mann individualy agreed that in the event of default no claim would be made by them for compensation for any equity of redemption. They are estopped now from saying there is any value, seeing that they have agreed themselves out of court. That being so, how is it possible for the Government to justify placing the question as to the value of those shares before a board of arbitrators?

Mr. J. E. ARMSTRONG: Might I ask the hon. member for Welland a question? Does he not believe that Sir William Meredith as an arbitrator will deal out justice to the people of the Dominion?

Mr. GERMAN: It has been stated by an hon. member of this House, formerly high in the councils of the Government, that any judge who acted on a board for compensation was a grafter, or something of that

kind. That was the term he employed towards Mr. Justice Galt.

Mr. J. E. ARMSTRONG: Does the hon. gentleman insinuate that Mr. Justice Meredith would be a grafter if he were to receive any remuneration from the Government?

Mr. GERMAN: I do not insinuate anything. One of the hon. members of this House high in the councils of the Government made that statement recently. I will not say it is true, but the hon. gentleman endorsed it. Probably my hon. friend was one of the seventy who endorsed Hon. Robert Rogers.

An hon. MEMBER: He does not deny it.

Mr. GERMAN: I say in view of the fact that the Government pledged itself in 1914 to the country and to Parliament that in case of default it would take proceedings under section 24 of the Act and take over this whole property, appointing its own directors, the Government should be censured, and I believe it will be censured by the people of the country for now coming down with a proposition to compensate Mackenzie and Mann for something into which they have not put a dollar of their own money, and for which they have, in my opinion at any rate, been more than liberally compensated. My contention is the Government should do as it agreed to do, and take over this property, as recommended by the Royal Commission and as it pledged itself to do in its statement made in 1914.

Mr. STEVENS: I had not intended participating in this debate, as I was most anxious that we should hasten the closing of this rather protracted session, which is excessively burdensome upon those of us who are compelled to be away from our homes so long. It has, however, been borne in upon my mind during the past week or two that behind the opposition to this measure there is a very potent and subtle influence, which, in my estimation, smacks more of "direct interests" rather than of the political aspect of the question—an influence working behind the scenes, veiled from public scrutiny, a self-seeking power interested in defeating the measure. However, the hon. member for St. John (Mr. Pugsley) a day or two ago threw out a challenge to hon. gentlemen on this side of the House to defend this Bill or this policy if we dared so to do. He rather insinuated that because we had remained silent we were afraid to support the policy the Government has brought down.

Mr. PUGSLEY: Hear, hear.

Mr. STEVENS: Well, because of that and of the other reasons I have mentioned, I consider it my duty to state to the House my views on the question and my reasons for supporting the policy of the Government. I do so with a great deal of confidence and satisfaction, because I feel that the measure the Government has presented to the House and to the country is a proposal which, when properly grasped by the people of the country, will meet with general approval. I support the measure because it marks a new era in the railway history of Canada. It is a step forward towards the acquisition of the control and direction and the ownership of the great railway systems of Canada beginning by taking over the second largest system, the Canadian Northern Railway, a system comprising some ten thousand miles of road. The main burden of the criticisms of hon. gentlemen opposite against the Government has been "why does it not act under section 24 of the Bill of 1914?" They suggest that for some sinister reason the Government is seeking to evade the powers given to it by Parliament under that Bill. I would like to call the attention of the committee to the wording of the section referred to:

> If authorized by Parliament the Governor in Council may on such terms and conditions, if any, as Parliament may prescribe foreclose the equity of redemption.... etc.

In other words section 24 of the Act of 1914 lays upon this Parliament the responsibility of saying in what manner the terms of the agreement shall be enforced or taken advantage of. That is exactly what the Government is doing. It comes before the House now after three years of war intervening since the passing of that Act, and says to Parliament: "This is what we recommend having in view the circumstances with which we are surrounded and the conditions which have been brought about because of the war since the passing of the Act of 1914." The idea is exactly what hon. gentlemen opposite have been urging upon the Government, namely the securing of control of the road. It is quite true that the method taken is not precisely that suggested in clause 24, but it is useless for hon. gentlemen to split hairs, legally speaking, over the question of foreclosure of the equity of redemption as against the purchase of the stock. Any hon. gentleman knows, who knows the law that if you foreclose a mortgage, the mortgagor has some right to be heard in that foreclosure. That

is a principle which runs through all British law, and hon. gentlemen opposite know it very well.

Mr. PUGSLEY: And, section 24 was alleged by the Government to be for the very purpose of avoiding foreclosure before the courts.

Mr. STEVENS: I do not claim to be such a lawyer as my hon. friend but I will make a suggestion, inasmuch as the British North America Act provides that the powers of legislation regarding property and civil rights belong to the provinces, is there not good room for an appeal against that statute under the British North America Act?

Mr. PUGSLEY: Does the hon. gentleman ask me a question?

Mr. STEVENS: No, I am not, because I know if I asked the hon. gentleman a question he would take all afternoon to answer it.

Mr. PUGSLEY: That agreement was made, and the Government is bound by the statutory agreement.

Mr. STEVENS: I simply draw attention to a fact, which no amount of argument will dispel. The fact is there and I say there is ground for appeal against that law in that way. However, we will pass this over for a moment.

What do we get from hon. gentlemen opposite to help us out of this dilemma which they say we are in? What are the suggestions? Two or three suggest a receivership. Others suggest that we dispose of the assets of this company; others suggest liquidation, and still others suggest that we give them further loans and see if they will not work out their own salvation. All these suggestions have been made in a cursory manner not with any degree of seriousness and simply with a desire to confuse the issue which is now before Parliament.

Let me call attention to some of the suggestions which have been made. The right hon. leader of the Opposition (Sir Wilfrid Laurier) said very emphatically that we required three transcontinental railways in Canada. The hon. member for Rouville says that:

> The Government has no mandate to commit the country to the immediate completion of that third transcontinental railway.

The hon. member for Sherbrooke (Mr. McCrea), following along that line, said the other day:

> I am bound to say that whoever were responsible for two transcontinental railways being built, east of Port Arthur and some distance west of Edmonton, were very much lacking in judgment.

His own leader says:

> I accept fullest responsibility for the policy —that this country required no less than three lines of railway.

With such a conflict of views as this, with no seriousness in the suggestions or criticisms, I ask what are we to accept as the policy of hon. gentlemen opposite in connection with this matter.

I wish to discuss one policy suggested by the hon. member for St. John (Mr. Pugsley) very frequently in the numerous times that he has addressed the committee. He has suggested that a valuation be made of the physical assets of the road, and that they be disposed of and divided among the security-holders.

That is suggested by the hon. member for St. John. I would like to ask him, or the hon. member for Pictou (Mr. Macdonald), how they propose to make this disposition of the assets of the road. Would they sell the track to one person, the rolling stock to another, the telegraph company to some one else and the express company to some one else, or would they sell the road as a going concern? If they are going to dispose of the road as a going concern, to whom would they dispose of it? There is only one company to whom they could dispose of it. I have a great deal of respect for the views of a corporation lawyer on matters appertaining to corporation rights, but I question the judgment of gentlemen who are corporation lawyers, when they are dealing with what is in the interest of the public in conflict with that which is in the interest of corporations. While I have a great deal of respect for the opinion of some of these hon. gentlemen, I question their judgment in a matter of this kind. I ask how they are going to dispose of this road and to whom? If they are going to dispose of the institution as a going concern, there is only one buyer, that is known to the country, and that is the Canadian Pacific railway. Either the Government must take over this system or the Canadian Pacific railway will take it over. The hon. member for St. John could not have been serious when he suggested that the assets be disposed of and divided amongst the security holders. That, of course, is impossible.

Let us look for a moment at the only possible manner of carrying out this suggestion, by disposing of it to the Canadian Pacific railway. Every one knows, and I

think the financial interests of this country particularly know, that the Canadian Pacific Railway is exceedingly anxious to acquire this system and that it would pay very handsomely for it. I think I am quite safe in saying that Lord Shaughnessy would not deny that there were negotiations to this end. But, Sir, the question that this House and this committee must ask is: Is it in the interest of Canada that the Canadian Pacific railway should acquire this system? I submit that there are only two alternatives. One is that the Government must take it and the other is that the Canadian Pacific railway should take it. Before an amalgamation can take place between any of the great railway systems in Canada, if I remember aright, the approval of Parliament must be secured, or at least the approval of the Government. The only thing that stands between the amalgamation of the Canadian Northern and the Canadian Pacific railway is the Government. If the Government gave its approval, this amalgamation might take place. I hold that the time has arrived when this Parliament should be thoroughly seized of this fact and should make it utterly impossible, for the time being and in the future, for the Canadian Pacific railway to control the Canadian Northern system. On the other hand, I claim that this is the time to take the first great step towards the nationalization of railways in Canada.

A great deal has been said on this debate as to the gifts and assistance that have been given to the Canadian Northern. It is quite right that we should take all these things into consideration. But it is well that we should ask ourselves the question, when dealing with the Canadian Northern railway, as it is being constantly compared with the Canadian Pacific railway: What placed the Canadian Pacific railway in the strong position which it occupies in Canada to-day. Was it built out of the money of the investors? The hon. member for Welland (Mr. German), who has just taken his seat, spent a considerable time attacking the Canadian Northern promoters because they had not put, as he said, one cent of their own money into the system. As a matter of fact, they put in some money, but not anything like the full amount required. Did the promoters of the Canadian Pacific railway put their own money into the system to any great extent? Let us look at some of the figures. I find that the Canadian Pacific railway have received from the Dominion and the provinces:

Cash subsidies	$ 67,000,000
Lands sold	123,800,000
Lands unsold	119,250,000
For surveys by Gov., etc.	37,750,000
	$337,800,000

In all, they have received gifts to the value of $337,000,000. As a matter of fact, I am informed that the figure is greater than that but that figure is quite sufficient for the point I intend to make. The interest on the $67,000,000 of cash subsidies granted to the Canadian Pacific railway at 4½ per cent amounts to in the neighbourhood of $3,000,000 annually. If you take the interest for thirty years you will find that nearly $100,000,000 of interest has been thus placed in the coffers of the Canadian Pacific railway. I include this interest for this reason: The guarantees given to the Canadian Northern, of which I shall say something later on, are interest bearing and they have to pay the interest out of earnings from year to year. The gifts to the Canadian Pacific railway bear no interest. The value of the money is in the road and they have to pay no interest upon it. Then, we have this result, that the Canadian Pacific railway cost $354,000,000 according to the statement in their last balance sheet. That is for the road exclusive of equipment.

In other words, they have received in cash bonuses from this country, as a free gift, outright, from the people of Canada, a sum almost equal to the total cost of their road. Let us look at the corresponding figures for the Canadian Northern railway. They have received total cash subsidies from all sources of $38,800,000 as against $68,000,000 cash subsidies to the Canadian Pacific railway. Then they have realized from the cash sale of lands, and realized by way of debenture bonds, $34,000,000, a total of approximately $73,000,000, which they have received in outright gifts from this country this amount. In addition to that, they have equity in land to the value of $4,000,000 still in hand, or a total of gifts of $78,400,000, as against $337,000,000 given to the Canadian Pacific railway. This should be taken into consideration when we compare these two great systems. To proceed with this comparison in another way, let me point out that in the Canadian Pacific railway annual statement, and also in the Drayton-Acworth report, we find that the Canadian Pacific railway still have 11,500,000 acres of land, including townsites, etc., in their possession. Much of this is in localities close to transportation, close to

towns and villages, and in arable districts suitable for cultivation. They also show in the same balance sheet cash on hand of $57,000,000, and in addition to that $23,000,000 as a reserve against contingencies. I therefore ask if it would not be desirable, in this age and time, when there is such a demand for increase of production, that instead of holding these arable lands, the gift of the people of Canada, the Canadian Pacific railway should spend, or invest, its contingency reserve of $23,000,000 in the development of some of these lands close to the towns, cities and villages of Western Canada? That is a suggestion which I think is quite in order, and one that might well be considered by the Canadian Pacific railway. I go further. In 1909 the right hon. leader of the Opposition (Sir Wilfrid Laurier), who was then in power, and his Government, gave to the Canadian Pacific Railway Company the right to issue an additional block of stock amounting to $30,000,000. This was issued at $125 when the stock was selling on the market at $184, netting to the shareholders of the Canadian Pacific Railway Company $17,700,000. Then, in January, 1912, by the Act of 1911, another $18,000,000 was distributed at $150, when the stock was selling at $236 on the market, making another gift to the Canadian Pacific railway shareholders of $15,000,000. The reason I cite this, and the reason I draw attention to these figures which I have already cited, is that these gifts were given to the Canadian Pacific railway because it was known that, in the earlier periods of construction, they would have difficulty in paying their way without levying exorbitant freight rates. The object in the construction of the railway was to encourage the transportation of goods throughout Canada. The object of the Canadian Northern railway is exactly the same, to encourage the development of the transportation facilities of this country and to keep down freight rates within reasonable bounds. But instead of applying the gifts of the country for the purpose of keeping down freight rates, these gifts have been used by the Canadian Pacific Railway Company for the sole purpose of swelling the dividends of its shareholders.

The suggestion is made that we should allow the Canadian Northern railway to go into the hands of a receiver. I must say, to give credit to most of the hon. gentlemen opposite, that this has not been

[Mr. Stevens.]

received with any very great
5 p.m. favour. But this has been suggested, and my hon. friend from Calgary (Mr. R. B. Bennett) said that he was thoroughly in favour of it, although he bowed to the wishes of the majority. I simply wish to point out that if this road were allowed to go into liquidation or into the hands of a receiver, it would have an exceedingly serious effect on the credit of the country. Not only that, it would dissipate or destroy, to a large degree, the value of the organization built up by the Canadian Northern railway system. It is just as impossible successfully to follow out the policy suggested by the hon. member from St. John (Mr. Pugsley), namely, to dispose of the assets of the road and divide them among the security holders, as it is to let it go into the hands of a receiver.

Our great object at this time is to do two things, first to preserve the transportation facilities that have been developed in Western Canada and, second, to do this with as little loss as is possible. I am quite satisfied with the arbitrator appointed by the Government, that is Sir William Meredith. I do not think a fairer or more just man could be secured. I deprecate very much the reflections cast upon Sir William Meredith by the hon. member for Welland (Mr. German) a few minutes ago. Sir William is above reproach, one of the ablest men on the bench. This is, however, a question which affects western Canada particularly and one which perhaps a western man would understand better than an eastern man, and if I had had my way a western man would have been appointed as arbitrator; but as the Government have chosen Sir William Meredith, I am content as I think that, so far as character is concerned, no better choice could have been made.

I believe that the time has come when we should take a very broad and very generous and very deep view of this question of transportation in Canada. I believe that the time has come when all the railway systems of Canada should be taken under the control and direction of the Government. When I say all, I include the Canadian Pacific railway, because, in view of these very large grants that have been given to the Canadian Pacific railway, I am led to ask the question, has the Canadian Pacific Railway Company played the game with the country to the extent of these grants that have been given to it? Is the country getting the freight rates to

which it is entitled? Let me give the House one brief illustration of the freight rate problems that we are faced with on the Pacific coast. Up to about 1907, the Canadian Pacific railway gave the people of the Pacific coast the privilege of shipping freight 400 miles eastward as against shipments by Montreal merchants 2,600 miles westward; in other words, we paid as much to ship freight to Golden, B.C., as the merchants of Montreal paid to ship to the same point. There is no ground on which that can be justified, and yet that is what we are faced with. To-day we have the splendid privilege of shipping freight as far as Calgary, 600 miles, against the Montreal merchant shipping to Calgary 2,300 or 2,400 miles. I cite this to show that the freight rate question of Canada is one of the most important, and that the time has come when we should ask ourselves the question: Are we getting a square deal from this enormous railway corporation in comparison with the assistance given to it by the people of Canada in these grants of land and of cash? To my mind a Board should be appointed to administer the railway affairs of this country and to pay to the stockholders of the different railways taken over a fair and reasonable dividend. If you examine the reports of the Canadian Pacific Railway Company for as many years back as you care to go, you will find that these land subsidies that we gave to them for the purpose of minimizing the freight rates of the company have simply been spent in giving dividends to the shareholders and swelling the price of the stock of the company. I have no objection to the earnings of the Canadian Pacific railway being used up as dividends, but I do object to the proceeds of subsidies given by the people of this country being used in that manner.

We have a further suggestion from the honourable member for St. John (Mr. Pugsley) which I wish to consider for a very few moments. He says that the Government should expropriate the railway and the rolling stock of the company, and nothing more; that we should leave the company in existence; leave it its stock and its liabilities. His suggestion is that we should take possession of the physical assets of the road, but that we should let the company keep its organization, its officials, its telegraph and express companies—all the things that make the operation of a railway possible. But how would possession of the railway and its rolling stock be acquired? In order to take over the road and the rolling stock of the Canadian Northern Railway Company you would have to float a new government loan. It may be interesting for the committee to note the price paid by the Canadian Northern Railway Company for its money. For instance, the company floated loans amounting to $270,000,000 in Great Britain at a cost of 4·347 per cent. Where could we get money at that rate or anything like that rate to-day? Honourable gentlemen on the other side have criticised the Government because they had to pay six per cent and more for a loan in the New York market. Yet they suggest that we should expropriate the physical assets of this road, purchase them outright, and leave the company in existence. I mention this merely to show how absurd it is to suggest that at this time we expropriate the road and pay off the securities to any considerable extent.

It has been suggested by the member for St. John and others that the $147,000,000 of unsecured bonds of the Canadian Northern Railway Company should not cause the Government any anxiety, that, if there is not sufficient money to pay for them, they should be allowed to go. It is suggested that, as these bonds were sold at a very low rate, no serious loss would be involved if this course was adopted. As a matter of fact, $110,000,000 of the $147,000,000 of unsecured bonds were sold at about 96 on the British market, or at a cost to the company of 4½ per cent—which is a very favourable issue. Moreover, practically the full amount of the issue of these bonds went into the road. Of the land grant bonds, $12,250,000 were sold in Great Britain at 94, the net cost to the company being 4·98 per cent. The proceeds of these, as well as of those that were sold in this country, went into the road. Notwithstanding these facts, hon. gentlemen opposite suggest that the Government should repudiate those bonds. This is what the member for St. John says:

> There are something like $147,000,000 of securities which are not guaranteed by the Dominion or the provinces. I presume these securities are held by strong financial men, by bankers and others, who could afford to lose a portion of their securities.

I submit that it is unworthy of a member of this committee to suggest that simply because these bonds may be held by individuals who can afford to lose them, the country should repudiate its responsibilities and allow the bonds to go by

default. My contention is that the full proceeds of the bond and land sales of the Canadian Northern Railway Company have gone into the road. So far as we can gather from a most careful scrutiny of the accounts of the company—I myself have gone over them carefully, and I know that other gentlemen have done so—the proceeds of the sale of securities of this road have gone into its construction, none being diverted to other uses. That being the case, it is fair and reasonable that this country should recognize and accept the full responsibility of those securities. If, as suggested by the member for St. John, the bonds had been sold at 50, there would be some reason for asking for an adjustment. But in view of the fact that they were sold at 96 and 98, there is no reason why we should repudiate any portion of the unsecured bonds of the company.

In 1914 the leader of the Opposition and the member for St. John suggested that in the legislation then being enacted we should insert a provision that the maximum purchase price of the stock should be $30,000,000. I assume that that suggestion was made seriously. It was not thought desirable, however, to accept the suggestion at that time, because practically all the members of the House, especially the western members, expected that the Canadian Northern Railway Company would be able to pull itself out of its financial difficulties. Within a month or so after the House prorogued war broke out, and from that day to this it has been utterly impossible for the Canadian Northern or any other corporation to do its financing in Great Britain or in New York. But although this suggestion was not accepted in 1914, there is no reason why the principle should not be adopted to-day, in view of the changed circumstances. There is, however, this difference: At that time it was suggested that the value of the stock might well be set at $30,000,000. Here we make no limitation. Hon. gentlemen may say: Why do you not fix a maximum price? But if the Government had put in a maximum price of $5,000,000, $10,000,000, or any other amount, hon. gentlemen opposite—the member for St. John, the member for Pictou and others—would have alleged that the Government intended to give Mackenzie and Mann that amount of money. The only sane and proper method is to leave the arbitrators absolutely free and untramelled in coming to a decision in this matter. I suggest to hon. gentlemen opposite who object to this Bill that the measure is a fair one; that it will give the country a railway system second only to the Canadian Pacific Railway system, and that it will be the first step in Canada towards the nationalization of railways.

Not only will it do that, but it will introduce that system in a manner that will enable us to work it out free from party patronage, so far as that is possible. I join with many others who have said previously in this debate that, if it is humanly possible, political and party patronage should be eliminated from the administration of the railways of Canada, and I believe there is a genuine effort to do that, I believe further the people of this country desire it.

We are faced with one issue—shall the Canadian Pacific railway control this country by owning the railway systems of the country, or shall the Government enter upon a project of a Government-owned railway system? That is the clear issue before us, and there is no use in disguising the fact. I am going to read to the committee extracts from an editorial on the front page of the Toronto Star, and I do not think any hon. genlteman will charge the Toronto Star with being a Tory paper, or prejudiced in favour of the Government, or, in any sense, tramelled in its opinions, because if it is one thing, it is radically democratic. I will read a few extracts from this editorial in order to impress upon the committee, much more forcibly than my own arguments would do, the seriousness of the present situation and the necessity of Parliament facing it, in order that the committee may realize that the time has come when we must choose between the continuation of corporate control and direction or government ownership and direction of railways. The editorial says:

> The decision of the Government to take over the Canadian Northern railway and also its express and telegraph systems is, we believe, an absolutely right one, and if the details of the plans put forward need to be improved, Parliament is in session for the very purpose of doing such work in the public behalf.

That, I think, is worthy of consideration. I am willing to join with any hon. gentleman in improving the details of this Bill, but what we should do is to suggest any improvements that we think should be made, and not generally, as has been largely done in the criticism offered, to damn the Bill. The editorial goes on:

> It is necessary that in Parliament, the press and throughout the country, every force favourable to public ownership should now be

exerted, because against the Government in this matter is being exerted all the influence possessed by the Canadian Pacific railway and all its allied interests. It is a formidable power that confronts the Government to prevent the nationalization of the Canadian Northern railway and its subsidiary companies. It is a power that does not hesitate to believe that it can pull down governments when it undertakes to do so.

Then it says further on:

The country has long enough been owned by the railways. It is time the railwaps were owned by the country—for the country has pretty well paid for them.

In view of the huge figures that I have given, namely, $337,000,000 as a gift to the Canadian Pacific Railway Company and the other figures we have heard so often, that clause has particular significance. The editorial goes on:

Every Liberal member of Ottawa who professes to believe in public ownership ought to show it now, and, instead of obstructing Canadian Northern railway purchase because of certain details, should strive to remedy defects and aid the Government in putting through this railway nationalization project.... Aside from party altogether there is before the country a straight public ownership issue. The Government proposes to take over the Canadian Northern railway. Opposition to this action is led by the Canadian Pacific railway and allied interests, and the aim is to prevent public ownership of the railway, express, and telegraph services concerned. People need make no mistake. If the Canadian Northern railwap were allowed to go into liquidation, if it dropped into a receivership, it would bounce from there into the hands of the Canadian Pacific railway.

That is exactly what I have been trying to point out this afternoon, namely, that if we allow this road to go into the hands of the receivers, into liquidation, or if we dispose of it in any other way, there is only one place where it can drop and that, as the Toronto Star says, is into the lap of the Canadian Pacific railway. That is where the influences opposing this Bill so potently and forcibly throughout this country are so anxious to have it drop. They know perfectly well, if the present Bill can be defeated, if it can be delayed or put off, the chances of working up a measure which will bring about such a condition will, so far as the Canadian Pacific railway is concerned, be exceedingly bright.

It is suggested, in connection with the proposed amalgamation with the Canadian Pacific—and I commend this to my hon. friends from Western Canada in particular—that inasmuch as the Canadian Northern and Grand Trunk Pacific railways cannot handle the freight to-day at the present rates and show a profit, there should be allowed an increase of 10 per cent in freight rates. That is not an unreasonable suggestion, but let us look at it for a moment. If you allow a 10 per cent increase in freight rates to the Canadian Northern and the Grand Trunk Pacific, you will have at the same time to give it to the Canadian Pacific. Such an increase would mean an additional $30,000,000 from the shipping public of Canada. How much of that would go into the coffers of the Canadian Pacific? Exactly $18,000,000. The Canadian Pacific are paying a dividend of 10 per cent; they have $119,000,000 worth of lands unsold yet, and they have, therefore, no need of that increase at all. I suggest that the Government take over the Canadian Northern Railway Company and carry it on at the present freight rates. If there is a loss of, say, $12,000,000 on the operation of the Canadian Northern railway and the Grand Trunk Pacific let us foot the bill. Instead of the people of Canada paying $18,000,000 into the coffers of the Canadian Pacific, let us by a direct payment from the public treasury make up any deficit in the freight rates of the Canadian Northern Railway Company and Grand Trunk Pacific. That is an infinitely better proposition than increasing the freight rates, because, as the saying is, the people pay the piper, and the $30,000,000 will come out of the pockets of the people, whether you take it directly or indirectly. Therefore, we should take the first step in government ownership and nationalization of our railways by acquiring the stock of the Canadian Northern Railway Company. I have absolute and untramelled confidence in Sir William Meredith as a just, fair and honourable arbitrator on behalf of the people of Canada. How any hon. gentleman can, for one moment, question the fairness of an arbitration carried on under him is beyond me. If there is anything to pay it will, in all fairness, be paid, and we, as members of Parliament, and as representatives of the people of Canada are willing to see that that is done. If there is no value in those snares we may rest assured that Sir William Meredith will be the last men in Canada to declare a value where there is none.

Mr. PUGSLEY: Is Sir William Meredith to be the sole arbitrator? Does not the Bill provide for three arbitrators?

Mr. STEVENS: Certainly.

Mr. PUGSLEY: Sir William Meredith then will be in a minority?

Mr. STEVENS: The interest of the people of Canada is placed in the hands of Sir William Meredith. Furthermore, my hon. friend knows that there is provision for an appeal to the Supreme Court in the case of a difference of opinion.

Mr. PUGSLEY: If the Bill provides that an award will be made according to the opinion or judgment of the arbitrators without evidence; how could you appeal to the Supreme Court for judgment without evidence?

Mr. STEVENS: My hon. friend is asking perhaps one of the most ticklish legal questions—I was going to say quibbles—that could be raised in connection with this Bill. That was discussed here in detail by the Solicitor General and the Minister of Finance. There is no question in my mind that, should there be a disagreement, there is a perfect right of appeal to the Supreme Court and besides the Bill has been amended to make that clear.

Mr. PUGSLEY: Does not my hon. friend know that where a statute expressly gives the arbitrators the power to determine a matter according to their own judgment without evidence, it would be impossible to have an appeal?

Mr. STEVENS: My hon. friend knows that that is absurd. No board of arbitrators would decide on such a question offhand of their own judgment without evidence.

Mr. PUGSLEY: That is just what the Bill says they may do. I was not aware that the hon. member for Calgary had first brought this point to the attention of the House, but I can well understand that he would do so. It is one of the most extraordinary provisions I ever saw.

Mr. STEVENS: That section has been amended anyway.

Mr. MURPHY: After listening attentively to the address of my hon. friend from Vancouver (Mr. Stevens) I think I am within the judgment of the members of this committee when I say that his observations have made it clear to the House and to the country that the Government has decided to adopt as its defence to the criticism offered from this side of the House on the measure before the committee, abuse of the Canadian Pacific railway, or perhaps it would be more correct for me to say, attacks upon the Canadian Pacific railway. If that be the only defence that the Government has to the criticism offered, then nobody on this side of the House, least of all the individual who is now addressing the committee, should object to the adoption of such cuttlefish methods by the Government. It is true that a campaign of this kind may for the moment becloud the issue, but it is still more true that such a campaign will not mislead the public for any length of time.

My hon. friend from Vancouver began his address by saying that there was a subtle influence at work behind the opposition to this Bill; an influence, I think he said, that was based on self-interest. I presume it is unnecessary to disavow any personal interest in my own case, but possibly it is just as well that I should do so, because I desire to make some further reference to this phase of my hon. friend's argument. What he said reminded me that after the speech delivered by the hon. member for Calgary (Mr. R. B. Bennett)—a prominent supporter of the Government, and a very important member of the Conservative party—the Government press throughout the country took sudden alarm. The day following the delivery of that address, there were numerous editorials in the Government press throughout the Dominion sounding a note of warning and urging the Government in the frankest possible terms to pay heed to what had been said by the hon. member for Calgary, and to take every possible means to safeguard the public interest in connection with this legislation. The Ottawa Journal joined in giving that warning to the Government. Within a few days, however, a change was noticed in the editorial opinions of the Government press, and then for the first time it began to be stated publicly that the opposition to this Bill came from the Canadian Pacific railway and from the Bank of Montreal. The Ottawa Journal, I think, in referring to the memorial presented against this measure by some of the prominent citizens of Montreal, men ranking high in the professional and business life of that city, referred to the click of the cash register. My hon. friend from Vancouver this afternoon followed very closely in the wake of that line of argument. I am told that my hon. friend from St. John (Mr. Pugsley) made a refutation of that accusation at the opening of this afternoon's session.

So far as I am concerned, I certainly voice no Canadian Pacific railway interests. I have no more interest in the Canadian Pacific railway that I have in the Canadian Northern, and in opposing this measure I am acting solely upon what I conceive to

be my duty as one of the representatives of the people. The Ottawa Citizen on Saturday last dealt very briefly with this argument advanced by the Government press, and in the course of a brief editorial had this to say:

> The attempt of the Government press to create the impression that the taking over of the Canadian Northern railway system by the Government has resolved itself into a struggle between the interests represented by the C.P.R. allied with the Bank of Montreal, and the Administration, is obviously political camouflage of the most amateurish sort.
>
> The C.P.R. may desire the defeat of the present proposal; so may the Bank of Montreal; so may large moneyed interests in the metropolis and elsewhere. With that the people of the Dominion need not be concerned at this time. What is of the utmost importance is that the terms of the proposed acquisition be not lost sight of in this cloud of political dust. The outstanding fact is that the Administration proposes to arbitrate a matter of sixty million dollars, more or less, and that according to the terms of the bond between the Dominion and the Canadian Northern Company in 1914 the latter, as represented now in its holders of capital stock, is not entitled to one dollar of the money of the Canadian taxpayers.

I will have occasion to refer to the question of value later on, and I need not labour that point now. I desire, however, before proceeding to refer to one or two other matters that were touched upon by the hon. member for Vancouver. May I point out that in recalling the position taken on this side of the House in 1914, my hon. friend did not fully state all the terms of the amendment that was then introduced by my hon. friend (Mr. Pugsley). I will have occasion to go into that later on in my remarks, and I need not dwell upon it now. I mention it merely to point out that while my hon. friend's argument in that respect was incomplete, it was altogether in accordance with the line of argument which now emanates from the government press and from the supporters of the Government.

The hon. member for Vancouver also took occasion to give quite unnecessary testimonials of character to Sir William Meredith, who has been proposed as the Government arbitrator in this matter. I am not aware that any person on this side of the House has cast any reflection whatever on Sir William Meredith, but there is an observation that might have been made, and not having been made, I propose to make it. There is just the possibility that his political friends may overwork Sir William Meredith. It may have escaped the observation of hon. gentlemen on this side of the House that even since the Minister of Finance announced that Sir William Meredith was to be the arbitrator in connection with the valuation of the Canadian Northern railway stock, the Ontario Government has placed Sir William Meredith at the head of another board of arbitration, and, as I say, it is just possible that his political friends may overwork Sir William Meredith in showing their regard for him. It also is a matter of interest, I think, to make inquiry whether Sir William Meredith will be able to discharge the duties which are sought to be cast upon him under this arbitration, since he has accepted, so the newspapers say, the appointment offered to him by the Provincial Government in connection with another matter. So much for the observations of my hon. friend from Vancouver.

In the earlier stages of this discussion hon. gentlemen on this side of the House, and I think possibly one or two hon. gentlemen opposite as well, sought to get from the Minister of Finance certain information that had not been brought down. From time to time the minister has laid upon the Table statements and correspondence containing a great deal of data of which the committee had not been previously seized, but I want to take this opportunity to point out that while a considerable amount of information has been furnished, that which has been brought down is not exact, and is by no means complete. In this connection let me remind the committee that when speaking on the 16th of the present month upon some details of this Bill, I pointed out a liability of the Canadian Northern Railway Company with regard to the province of British Columbia, and for the information of the committee as well as that of the Minister of Finance I read an item from the Vancouver Sun of August 11 of the present year, and made inquiry regarding the liability there disclosed. We have not yet received information on that point, which is a question of such importance that I purpose to refer to it again briefly. According to the correspondence exchanged between the Prime Minister and the Premier of British Columbia there may exist an exceedingly large liability which this country is assuming in taking over the Canadian Northern Railway Company; what I said will be found on page 4774 of Hansard, and I extract merely the portion containing the item that appeared in the Vancouver Sun of August 11, which is:

Victoria, Aug. 10.—The following telegram sent by Hon. John Oliver, minister of railways, to Sir R. L. Borden to-day:

"British Columbia has guaranteed the principal and interest on forty-seven million nine hundred and seventy-five thousand dollars of Canadian Northern Pacific railway company bonds and has contracts obligating the railway company to expend twenty-two to twenty-five millions to complete. Are the province's interests being protected? Please reply quickly.

The under-mentioned reply from Sir R. L. Borden has been received:

"The Government proposes to acquire all the capital stock of the Canadian Northern railway company which owns all the stock of the Canadian Northern Pacific railway company. Copy of the Bill now before Parliament is forwarded to-day for your consideration. The company's obligations will remain as they were before such acquirement."

The newspaper item proceeds:

By Sir Robert Borden's telegram it will be seen that the Dominion Government assumes all the Canadian Northern railway's obligations in respect to the Canadian Northern Pacific railway, both financial and as to the completion by the latter railway of its existing contracts.

When I first drew this item to the attention of the committee I inquired as to the amount of the liability the Dominion of Canada was assuming in connection with the obligation set out in this correspondence. Up to the present time, so far as I am aware, we have not received an exact statement as to that from the Government. I invite the minister to give us an exact statement in that regard while the Bill is before the committee and before we are asked to proceed to another clause. It will be within the recollection of hon. gentlemen that there was considerable discussion with reference to unpaid claims of contractors. Information was also asked on this subject. I must say information was brought down, but, like most of the information received from this railway company, it is in such general terms that it is impossible to tell what claims it covers. I am led to refer to it again, and to repeat my request for specific information by reason of the fact that since publicity was given to the discussion of those matters in the House, contractors with unpaid claims have turned up within the precincts of the House and have told me, among others, about unpaid claims against the Canadian Northern which they had been pressing for settlement for a long time without success. I submit it is due to this committee that the Minister of Finance should insist upon the Canadian Northern Railway Company furnishing him with the names of the contractors who have unpaid claims, and that he should not be satisfied with a simple bulk statement as to the amount alleged to be still due and unpaid.

Information was also sought with regard to the outstanding liability of the company in connection with compensation for land taken for right of way, terminals, etc., and for damages in connection with the taking of such land. Again the discussion in this House has brought to the attention of people who have unpaid claims the statement made by the company regarding alleged settlements. Since the committee last met I have been told of claims in the vicinity of Ottawa which have been standing for six or seven years, claims which the people who hold them say they are sick and tired of pressing upon the company, and that the company continues to resort to every evasion and subterfuge in order to avoid settling. I have been told of one claim in particular in regard to which there has been an intimation made that now the Government is taking over the Canadian Northern railway of course the company will not have to deal with the claim, but the parties interested will be obliged to look to the Government for payment. This, I may say, is in the vicinity of Ottawa. I am convinced there are others of very much larger amount in and about the city of Montreal. On a previous occasion I referred to the unsettled claims for compensation and damages for land taken in connection with the Montreal Tunnel and Terminal Company. Acting upon the representations I made to the committee on that occasion the Minister of Finance was good enough to make inquiry, and on the 23rd of the present month he submitted to the House a letter written him by one of the solicitors for the Canadian Northern Company bearing upon this subject The writer of the letter is Mr. Gerard Ruel, a capable and honourable gentleman, whose acquaintance I enjoyed while he acted as Law Clerk in the Department of Railways and Canals. I have no doubt that Mr. Ruel has correctly set out in his letter the information given him, but I am just as positive that the information is absolutely incorrect. Mr. Ruel's letter will be found at page 5124 of Hansard and is:

Regarding land damages arising out of the construction of the tunnel, the situation is that at the present time outstanding claims for damages to the amount of about $50,000 are in the course of adjustment. All the land which the company has to obtain for the present terminal and the right of way has been acquired and paid for in full. Easements through the mountain have not in many cases yet been adjusted, the company claiming that owing to the dis-

tance from the surface practically no damage will be sustained. These claims are standing over by agreement until one year after the operation of the tunnel.

(Sgd.) Gerard Ruel.

Let us examine the statements made by the company in this letter. In the first place it is said that the situation at the present time is that:

Outstanding claims for damages to the amount of $50,000 are in the course of adjustment.

My observations have reference to the land taken for the purpose of this Tunnel and Terminal Railway Company both behind the mountain, and on the city side of the mountain as well as in connection with the boring of the tunnel. If this letter refers to the land embraced in that stretch of the right-of-way, then, Sir, I have no hesitation in saying, based upon my own personal knowledge, that the statement that all the outstanding claims for damages amount to about $50,000 is an absolute joke. I know of one claim approximating $350,000 that has been made, and in connection with that claim they have offered in settlement, through the Montreal solicitors for the Canadian Northern, an amount in the vicinity of $53,000.

Mr. LEMIEUX: I know that in settlement of a claim made by the Hon. Mr. Rainville, ex-speaker of the Legislative Assembly of Quebec, they have paid more than $50,000.

Mr. MURPHY: I am speaking only of those claims of which I have personal knowledge and in that instance alone the company's solicitors proposed a settlement on the basis of $53,000. But since the Minister of Finance gave notice of this legislation that proposal was entirely abandoned and of course they are taking the same position in Montreal that they are taking here—they will pay nothing and the country will have to pay the whole shot no matter what it is. There are two other unsettled claims in connection with the right of way of which I have personal knowledge and the aggregate of these three claims is six or seven times the amount mentioned in that letter. I have not the slightest doubt there are scores of such claims if we could only get at them. The second statement in that letter is that:

All the land which the company has to obtain for the present terminal and the right of way has been acquired and paid for in full.

That statement, in view of what I have just told the committee, is obviously untrue. It has acquired the land it is true, by taking the preliminary steps for expropriation under the Railway Act, but not only has it not paid for a large part of this land in full but for a large part of this land it has not paid anything at all, but is defying the owners by legal proceedings and by appeals after the matter has been submitted to arbitration and awards have been made against the company.

Further this letter states:

Easements through the mountain have not in many cases yet been adjusted, the company claiming that owing to the distance from the surface practically no damage will be sustained. These claims are standing over by agreement until one year after the operation of the tunnel.

Claims with respect to the easements might very easily reach up into the hundreds of thousands of dollars. I submit that even though it is correctly stated that by agreement these claims are standing over until one year after the operation of the tunnel the members of this committee have a right to know what these claims are, what they amount to, and by whom they are made in order that we may form some approximate idea and in any event that the country should know what yet remains to be settled for in connection with this class of claim. So much for that letter.

I submit generally in connection with the question of land damages and compensation, that there ought to be filed with this committee a statement in detail giving the names and the amounts of all unsettled claims, and further that until that is done we cannot properly proceed with an intelligent discussion of this Bill for the reason that neither the country nor the committee is in a position to know what the country is assuming by the adoption of this present proposal. A few days ago my hon. friend from Welland (Mr. German) referred to what he understood to be some long term contracts that had been entered into between the Canadian Northern Railway Company and certain of its permanent officers and officials. He pointed out that these contracts also established a liability that would be taken over by the country under this legislation and he asked for information on that point. If my memory serves me correctly the Minister of Finance promised to make inquiry regarding that. I too would urge upon the minister that if such inquiry has not been made, it should be made at once and that the committee should be furnished with full particulars of any contracts be they long term or short term, entered into between the

Canadian Northern and Mr. Z. A. Lash; between the company and Mr. Phippen; between the company and Mr. McLeod; between the company and Mr. Mitchell, and, generally, between the company and all of its chief officials and officers. If that is not done, if this committee proceeds in ignorance of the state of facts in that regard, Parliament and the country may wake up, after this legislation goes through, to find that instead of getting rid of a set of men, whom the country has been led to believe will be got rid of by this legislation, these men have been fastened upon the country for a much longer term of years possibly, than if they had continued in the ordinary course to be in the service of the Canadian Northern. These long term service contracts may involve a very large sum of money but in any event, whether that be the fact or not, the point has been raised, the question has been asked, the Minister of Finance undertook to get the information. I now add my request to that of the hon. member for Welland and I urge that the information be brought down to this committee before we are asked to proceed with another clause of this Bill.

Under this same general head of information I wish to refer the minister to the observations of the hon. member for Calgary (Mr. Bennett) with reference to the income bond securities. As reported at page 4754 of Hansard, the hon. member for Calgary said

> I am going to direct the attention of the Minister of Finance to the Income Bond Securities, that increased stock of $25,000,000 that is provided. When this country acquires this enterprise and becomes owner of its shares, the $25,000,000 stock will acquire some value, and under the legislation of 1914 it was provided that these shares might be exchanged for income bond securities up to the 1st day of January, 1919. I put this to the House in all seriousness: If we exercise the power under the statute of 1914, we destroy those shares and that right; but if, on the other hand, we buy these shares, we leave that right, and some people with $25,000,000 of income bond certificates, are going to be able to exchange them for Canadian Northern stock for $25,000,000.

The Solicitor General dealt with that point in the address to the hon. member for Calgary, and he challenged the statement that exchange of these securities for stock was likely to be made; in fact I think he said it was so unlikely as to be altogether improbable. I did not understand the hon. member for Calgary to accept that view, and in view of some information that I have found in the Annual Financial Review for 1916, I think it is very desirable that the whole matter should be cleared up. For the information of the Minister of Finance and of the committee, let me read this statement from page 516 of the Annual Review of 1916:

> The Canadian Northern Railway Company.
> 5 per cent. 20-Year Income Charge Convertible Debenture Stock—Secured by a general charge on properties of the Company subject to prior charges. The total amount of this stock at any time outstanding is not to exceed an amount equal to $10,000 per mile of the company's lines of railway. During the years 1916, 1917 and 1918 holders of the stock have the right to exchange their holdings for an equal amount of fully paid ordinary shares in the capital stock of the company. The interest on the stock at a rate not exceeding 5 per cent. per annum is payable on 2nd May and November, only out of the net earnings of the company. In and after 1920 the company is entitled to redeem the stock at par.

If this is the same class of security as was referred to by the hon. member for Calgary (Mr. Bennett), then the possibility of exchange for common stock is much more immediate than appeared to be the case when the matter was under discussion between the hon. member for Calgary and the Solicitor General, and in view of this authoritative statement by the company itself, —for I assume that the company furnished this information—that such securities may be exchanged for common stock in the years 1916, 1917, and 1918, I invite the Minister of Finance to make special inquiry with regard to that and to give this committee, at the earliest possible moment, the result.

At six o'clock the committee took recess.

After Recess.

The committee resumed at eight o'clock.

Mr. MURPHY: Mr. Chairman, when the committee rose at six o'clock I had just finished enumerating several matters in respect of which, in my judgment, the committee and the country are entitled to further and fuller information. In respect of each of these matters I again urge the Minister of Finance to procure the information asked for and to bring it down as soon as possible. Upon that head I do not feel that at the present time any further observations are either practical or necessary.

We often hear it said that one of the greatest evils of democratic government, particularly of a modern democracy, is the growth and power of what is popularly referred to as the moneyed interests. In my

judgment this House and this country are face to face with an evil of that kind in the legislation now before the committee. In fact, the Bill now in your hands, Sir, is such a dangerous specimen of the evil to which I have alluded, that, with your permission, I desire to trace the genesis of this Canadian Northern railway proposal and in doing so to place certain important facts, as briefly as possible before the committee.

Speaking in this debate on the 16th of the present month, I stated that the present proposal grew out of an alliance that was formed in 1911 between eighteen gentlemen who came together in Toronto and who, in the assertion of what was their political and personal right, signed a letter defining the position which they thought the country should take in defence of the financial interests which they personally and collectively represented. That alliance and that letter form the basis of this present proposal, as I propose showing. Let me recall the names of the gentlemen who signed the letter in question; they will be found at page 4774 of Hansard of this year. They are:

Sir Edmund Walker, John L. Blaikie, W. D. Matthews, W. K. George, Z. A. Lash, W. T. White, George T. Somers, R. S. Gourlay, Sir W. Mortimer Clark, R. J. Christie, Hugh Blain, H. S. Strathy, L. Goldman, G. A. Somerville, Wellington Francis, J. D. Allan, E. R. Wood, John C. Eaton.

That group of gentlemen represented particularly the Canadian Northern Railway Company, the Canadian Bank of Commerce, and the National Trust Company, of which at that time my respected and honoured friend the Minister of Finance was the general manager. After the election of 1911 these eighteen gentlemen used their influence and were successful in having one of their number appointed Minister of Finance; I refer to the hon. gentleman who now occupies that position. Since 1911 it has been a matter of common knowledge that the three institutions to which I have referred have more than once received favours at the hands of this Government. For the purpose of understanding the present position of affairs with reference to these three business and financial institutions and their connection with the proposal now before the House, it is necessary to run over briefly the interlocking directorates of these companies. Of the original eighteen gentlemen who signed the letter to which I refer and whose names I have just read, Mr. Z. A. Lash, Mr. E. R. Wood and Mr. W. K. George are directors of the Canadian Northern Railway Company. These three gentlemen, with Mr. W. J. Christie, are also shareholders in the Canadian Northern Railway Company.

Sir THOMAS WHITE: I think my hon. friend is mistaken as to Mr. Christie. The Mr. Christie who signed the letter was Mr. R. J. Christie, of Toronto. Mr. W. J. Christie is of Winnipeg. Their only interest is as qualifying shareholders; they have no interest in the road itself.

Mr. MURPHY: I am not defining their interest at the moment; they are directors of the Canadian Northern Railway Company. The Mr. Christie who is also a director is not Mr. Christie of Toronto, but Mr. Christie of Winnipeg. With that correction the statement stands. Then, of the original eighteen, Sir Edmund Walker, Mr. Z. A. Lash and Mr. E. R. Wood are directors of the Canadian Bank of Commerce, of which Sir Edmund Walker is president and Mr. Lash vice-president.

The Canadian Bank of Commerce, as hon. members are aware, are pledgees of all Mackenzie and Mann's stock for advances which have been made against it. Mr. Z. A. Lash and Mr. E. R. Wood are both directors and vice-presidents of the National Trust Company. The National Trust Company, of which the Minister of Finance was formerly general manager, has acted as a trustee between the Canadian Northern Railway Company and the Government with reference to several financial transactions which have taken place during the last six years. So much for the way in which the members of that group of eighteen link up the Canadian Northern, the Canadian Bank of Commerce, and the National Trust Company with the present Government.

That does not by any means exhaust the interlocking combinations that have to be kept in mind in order properly to appreciate the legislation before the committee. In addition to those I have mentioned, there is our old friend Sir Joseph Flavelle, chairman of the Imperial Munitions Board, who is a director and the president of the National Trust Company, and who is also a director of the Canadian Bank of Commerce. Besides that gentleman we have Sir John Aird, general manager of the Canadian Bank of Commerce, a director of the National Trust Company and a joint shareholder in trust of $1,000,000 worth of stock of the Canadian Northern Railway

Company. In Parliament we have Sir Edward Kemp, who is a director of the National Trust Company, and Senators Nicholls and Richardson, who are shareholders of the Canadian Northern Railway Company, according to a statement submitted by the Minister of Finance the other day. Those three latter gentlemen will soon be called upon to pass their opinion upon this legislation. These interlocking directorates and combinations of financial interests are inimical to the public welfare. On this point, let me read this opinion of the Toronto Saturday Night, which, in its issue of August 18 last, referred at some length to the Government proposal for taking over the Canadian Northern railway:

There is a distinct feeling of uneasiness in Canada over the Canadian Northern nationalization scheme, now before Parliament. Not that the great majority of people are unfavourable to nationalization. Far from it. But there is strong objection to the terms under which this nationalization is to be effected. The question arises as to whether or not the stock of the Canadian Northern railway has a cash value, and whether or not the owners, or more properly speaking, the present holders of this sixty-thousand shares—it being generally understood that the stock long ago passed out of the hands of the promoters into the strong boxes of financial institutions which are holding it as collateral—have sufficient influence to guide the Government into paying more for the stock than it is worth.

Then, after referring, by way of comparison, to same kindred legislation in the United States, the article concludes:

Canadians are in no mood to pull the chestnuts of large financial institutions out of the fire just because they have become tied up with the Canadian Northern railway enterprise. The Federal Government may well be warned that the Canadian people are in no mood to be trifled with in this matter. The Royal Railway Commission in its report stated that the common stock of the Canadian Northern railway was of no value. Now we propose to leave it to another commission to ascertain the value of this stock. There is no disposition to treat the Mackenzie & Mann interests meanly, but as the Hon. George P. Graham suggested the other day in the House, if they are to be paid, let it take the form of a "recognition" of their services in the development of the country and not as a payment for stock which has been pronounced by experts to be of no value.

In harmony with the view expressed by the Toronto Saturday Night, my hon. friend from South Renfrew (Mr. Graham) a few days ago read in the House a memorial from a group of leading financiers and professional men of Montreal, all of them I believe, without exception, strong supporters of the present Administration. In connection with that memorial, the hon. member also read an editorial from the Montreal Gazette, one of the most outspoken supporters, in the press of this country, of the present Administration. Both memorial and editorial endorsed the position taken by the Toronto Saturday Night. To these opinions of important newspapers and citizens of Canada, may I be permitted to add that of the Montreal Star, a newspaper which, although claiming to be independent in its politics, yet manages to give an unvarying, I might say almost unbroken support to the Conservative party and which has given that support to the present Administration. The Montreal Star, in its issue of August 21, 1917, says:

Next to the war measures, by far the most important legislation before the Canadian Parliament is the Railway Bill. A wise solution of the railway problem means untold millions to Canada at a critical time in her history.

Owing to the financial embarrassments of the roads the Government was forced either to put into a receiver's hands both the Canadian Northern and the Grand Trunk Pacific, or to advance them more millions. It has made its choice. The Government is to give the Grand Trunk Pacific another lift of $7,500,000, and proposes to acquire the Canadian Northern stock at an arbitrated value. Messrs. Mackenzie and Mann during twenty-five years of railway exploitation, have proven their great ability as lobbyists. They have usually been able to persuade both the Liberals and Conservatives that Bills on their behalf presented to Parliament should become law without anything more than sham criticism. None of the politicians have seriously found fault with them so long as they could procure the adhesion of a majority of both parties in Parliament, and so they have had plain sailing. Every one saw that the crisis was only a question of time.

The Bill now before Parliament intended for the relief of Mackenzie and Mann and their creditors is decidedly weak in some of its provisions and dangerous in the extreme. Under the Bill as introduced there might be a staggering award. Mackenzie and Mann know how to engineer their schemes; they must not be permitted to engineer the country into bankruptcy. It is too big a risk and there is danger that Parliament may be woefully negligent in this case, as it always has been with railway legislation.

So far there is no provision for securing honest surrender of the assets. Some have been left out of the official lists. For one of the largest subsidiary assets of the concern no adequate provision is made, and there are many other assets paid for by Government money that are not included.

If this relief Bill for the extrication of Mackenzie and Mann is to be raised above suspicion there must be provision for all the deliberations of the arbitrators to be open to the public and for the presence before the board of independent counsel representing ordinary taxpayers of Canada as distinguished from those who sit in Parliament to protect the railway interests, and there should also be a sweeping clause in the Bill that will guarantee the country against deception, and a sworn detailed schedule of assets, with a clause entitling the country to all assets omitted.

Once Mackenzie and Mann are settled with and they surrender to the Government the key to the company's secrets there may be a surprise for the country compared with which past disclosures have been mere trivialities and the country may come to realize that it has bought a white elephant that will cost millions every year.

Having regard to the fact that that article is published on the front page of a newspaper enjoying the standing of the Montreal Star, I must assume that the last paragraph in particular has been written with full knowledge of some secrets not disclosed, but which, the article says, when disclosed, will be of a character compared with which past disclosures have been mere trivialities, and the country may realize that it has bought a white elephant that will cost many millions every year.

As one of the representatives of the people I have read that article several times, and I have thought over it long and seriously. Personally, I do not know what is referred to in that last paragraph, but I want to say this, in all candour, in all honesty, and in all friendliness to my hon. friend the Minister of Finance: If he knows what that paragraph refers to, then as an honourable and an honest man—and he is both —I would ask him to disclose that knowledge to this committee and to the House. If he does not know, then I would ask him to call upon the newspaper in which that article appeared to inform him, and through him to inform the country, what is meant by that statement. I would ask him particularly to ascertain whether the writer of that article is hinting at the possibility of the Bank Act having been contravened, and of advances having been made by the Canadian Bank of Commerce which that bank is not authorized to make under the Bank Act; and if so, whether the writer means that this legislation is the method adopted to get that bank out of the difficulty in which such a contravention of the Bank Act would involve it. It has been suggested to me that that is a construction which could be placed upon that paragraph. I do not place such a construction upon it because I do not know enough about it, but I say to my honourable friend that having regard to the standing of the newspaper which published that article, and to the seriousness of the statements which it contains, it is in my judgment incumbent upon him to exhaust every means to ascertain what the writer of that article refers to, and to acquaint this committee, and this House, and through both, this country with the information which seems to be in the possession of the writer of that article in the Montreal Star. If that is not done, then matters that now are wholly within the realm of suspicion will pass out of that realm and statements will be made which in the interests of our country should not be made. The danger, such as it is at the present time, confronting us through these interlocking directorates and the grouping of these financial interests will be small compared with the danger with which we shall be faced if the statements made in that article are not probed to the bottom, and if the fullest possible information is not procured, and communicated to the House and to the country.

Passing from that, let me direct the attention of the committee for a very brief space to the statute of 1914. That statute has been referred to by several speakers who have precided me in this debate. It was referred to by my honourable friend from Vancouver this afternoon. It has been recalled to this committee and to the House that when this statute was passed the statement was made that within its four corners there was provided a method for ending the dealings of Parliament and the country with the Canadian Northern, that if default should occur no further legislation and no further action would be necessary, because everything that would need to be done was provided for within the four corners of that statute. Now, when default has occurred, the Government chooses to ignore that statute. It is true that the Solicitor General proceeded in a general way to argue that, having regard to the present legislation the Government was, practically speaking, proceeding under the statute of 1914, and my hon. friend from Vancouver argued somewhat in the same way this afternoon. But may I recall to the committee that when the Minister of Finance introduced this legislation on the first of the present month, he never made mention of the statute of 1914, nor did he in a single word or syllable that he uttered pretend that the present legislation before this committee was in any way based upon that statute. In the course of his address on the day in question, answering an inquiry of my hon. friend from Rouville, he directed him for the information sought to the schedule of that statute, and that was the only reference made to the statute of 1914 by the Minister of Finance when he was introducing this legislation. So I say that the Minister of Finance, represent-

ing the Government—because he is responsible for this legislation, and not the Solicitor General—never pretended for one moment that the legislation before this committee was based on the statute of 1914. In fact, that statute was not mentioned by any hon. gentleman who took part in the discussion until after my hon. friend from South Renfrew had referred to it, and had based an argument in his speech upon it. The Government's action in this regard has excited widespread public interest. It has been referred to at public meetings, and it has been discussed in the press all over Canada. Only this morning the Ottawa Citizen, in a leading editorial, after alluding to an article that had appeared in the Government organ in this city, took up this phase of the matter and said:

The Ottawa organ does not, for example, devote one word to a discussion of section 24 of the statutes, under which the Government guaranteed 45 million dollars' worth of the bonds of the company in 1914. This section is the crux of the whole matter; it is under that clause that the country is entitled to take over the system without the expenditure of an extra dollar of the taxpayers' money. The matter is dismissed with a display of partisan rhetoric. Says our contemporary:

"The opposition arguments in parliament have been quite variegated. Hon. Mr. Pugsley contends that the Government should confiscate the road. He claims that the Government made provision for that when a Government loan to the road was made in 1914. Maybe so; but if the present plan is better, why object to it? And the Liberal parliamentarians in 1914 proclaimed that the present plan is better. They demanded it. They advocated purchase of the company's stock by arbitration, with a limit price of $30,000,000. But now Mr. Pugsley demands confiscation.

The Citizen proceeds:

"If the present plan is better, why object to it?" The present plan, briefly, provides for the arbitration of a matter which is not open to arbitration, and exposes the country to financial damages of very extensive range. We may be compelled to pay any sum the board of arbitrators decides we should pay, between 60 million dollars and one dollar. In any event, we are bound to be mulcted.

Of course the tu quoque argument must be introduced; it has proved such a valuable weapon in all matters wherein the administration have failed to bring forward reasonable arguments in support of their various measures since their advent to power. But our contemporary suppresses the facts.....

And this part of the editorial I would commend to my hon. friend from Vancouver.

But our contemporary suppresses the facts when it merely states that the Liberals advocated arbitration of the Canadian Northern stock several years ago, with a limit price of 30 millions. The Liberal proposition in amend-

ment to the Government's proposal to give the Canadian Northern the amount asked (45 million dollars) in 1914, was that the stock issue of the company should be reduced from 77 millions (instead of being allowed to stand at 100 millions as the administration proposed) to 30 millions, and that all of this stock should be placed in the hands of a trustee, for the benefit and security of the people of Canada, and that it should remain there five years, so that, in the event of default the Government would have power to take possession of the road without the expenditure of a single extra dollar. In the event of the road carrying on its operations and paying its way for five years, the country was to have the right to take over the stock by arbitration, provided it was thought desirable by Parliament that such a step should be taken. This is such an entirely different thing from the meaning intended to be conveyed by the bare statement that the Liberals proposed arbitration with a limit price, in 1914, of 30 million dollars, as to lead to the conclusion that it is made by our contemporary either in ignorance or with a desire to distort the facts.

Instead, however, of accepting that amendment, which was proposed by Hon. Mr. Pugsley, the Government proceeded to draw up the agreement with the railways which is now under discussion. The chief jewel of this agreement was the clause which the administration is now discrediting. The task of protecting the interests of the country on this occasion was entrusted to the solicitor-general, and it was under the skilful direction of this minister that the famous clause was drawn up. Of it, at the time, the Minister of Finance said that he was lost in wonder—wonder that in one mortal could be compressed the wisdom and foresight to evolve a legal safeguard which could be so readily evoked on behalf of the people of the Dominion as that embodied in clause 24. Sir Thomas White said that he wanted to take off his hat to the solicitor-general for his wonderful ability and great ingenuity in this all-important matter. To-day, however, the Minister of Finance is not lost in "wonder, love and praise," as the old hymn has it, but rather he is busy showing that the masterpiece of 1914 is in reality merely a legal frill, of no value in the agreement, and that it can be disregarded without in any way affecting the business in hand, which is to pay out an unknown sum of the money of the taxpayers to certain clever and accomplished railway contractors and promoters who have no legal claim to it.

In an attempt to discredit the Drayton-Acworth Commission and to give a value to the Canadian Northern railway stock which it does not possess, the Government has alleged that this commission, of their own creation, and headed by the Chairman of the Board of Railway Commissioners, omitted to take into account certain matters which should have been taken into account. In connection with this statement by the Government there is one very strange and very significant feature. It is a strange and significant thing that the Government has not asked the commis-

sion whether it did or did not make the alleged omissions, and if it did make the omissions what explanation it has to offer for having done so. That would be the natural and the courteous thing to do. Instead of doing this, however, the Government simply ignores the commission. The Minister of Finance stated in reply to an inquiry of mine in the House a few weeks ago, that the Government had made no application for information on that point. The Government chooses to ignore the commission and instead of going to the commission for an explanation of this alleged omission it goes to the Canadian Northern Railway Company. What is obtained from the company? The information obtained is set out in a letter of the financial comptroller of the Department of Railways and Canals, which was read in this House by the Minister of Finance on the 23rd of the present month, and which will be found on page 5139 of Hansard. I have not the slightest doubt in the world that the financial comptroller of the Department of Railways and Canals set out in this letter exactly what the company told him, and the criticism I have to offer regarding the contents of this letter applies altogether to the statement of the railway company and not at all to the financial comptroller of the Department of Railways and Canals.

Sir THOMAS WHITE: The financial comptroller informs me that that information is from his own audit, and not from the officials of the railway company.

Mr. MURPHY: His audit certainly was an audit of the books of the company, and so was based on the information supplied by the company. With respect to the alleged omissions I find the following:

I may state that it is quite clear that there is an error in that part of the Commissioners' report; the following assets on the asset side are omitted:

Cash	$25,000,000
Accounts receivable	8,890,000
Operating materials and supplies	916,000
Earnings, freight in transit	558,000

Lands Assets.

Lands unsold, 3,245,987 acres.

Deferred payments and accrued interest, $6,662,000.

On the liability side, there is a shortage of some $25,000,000.

If I understand the language of this communication correctly the two items of twenty-five million dollars are off-sets, one balances the other. That being so the $25,000,000 on either side need not be taken into account. But, I may point out in connection with these two items that even if the $25,000,000 cash was there, the commission which considered it its duty to estimate the value of the stock by ascertaining the value of the road could not have taken it into account, because it was not money that had been spent on the road; it was cash which might never go into the road but which might have been applied to something else altogether.

Sir THOMAS WHITE: But, the liabilities are on the other side.

Mr. MURPHY: The liabilities are on the other side; so that we really need not go into that. Let me proceed to the next item—the accounts receivable. There is no statement to show what percentage of those accounts was good, and what percentage was bad. There is no statement to show what amount was realized and what percentage of those accounts the company failed to realize. Therefore I submit that that amount cannot be taken into consideration at all, and the Commission very properly did not take it into consideration. As to "operating materials and supplies," and "earnings on freight in transit" here again——

Mr. PUGSLEY: Would my hon. friend pardon me? We find in the statement submitted by the Minister of Finance that "accounts receivable" are only put at $7,044,000.

Sir THOMAS WHITE: What date?

Mr. PUGSLEY: Down to April 30, 1917.

Sir THOMAS WHITE: That is to a different date.

Mr. PUGSLEY: It is the last statement the minister furnished.

Sir THOMAS WHITE: No.

Mr. MURPHY: Conflict in statement only confirms what I have been trying to impress upon the committee—the necessity of having something which will be accurate and upon which this committee can proceed with some sense of having received the truth. But, with respect to these items, I was about to point out there is nothing to show how they actually worked out in the road's operation and in the conduct of its business. Until that is shown, the amount given as "assets" under these two heads can be regarded as merely approximate.

Then, as to "deferred payments and accrued interest on lands"—anybody who practises law must be familiar with these phrases. This account is exactly the same as payments in regard to which default

has been made under agreement for the sale and purchase of land. The legal offices and land offices throughout this country are filled with such agreements and in all probability the deferred payments and accrued interest, although valued at so many millions in this statement, are not worth the paper they are written on. In my judgament, they are not worth any more than any other payments in regard to which default has been made by reason of the conditions brought about by the war. In brief, they are merely relics of the land boom that prevailed before the war and no sensible business man would take over anything like the value which has been set upon them here. This question of value was touched upon in an editorial of the Citizen of the 23rd inst., in which it said:

> The Canadian Northern Railway Proposal.
>
> The Citizen has taken the position that the 600,000 shares of Canadian Northern Railway stock which the Government proposes to acquire by arbitration are without value. The report of Sir Henry Drayton, giving the finding of the commission of which he was chairman, distinctly states that "the shareholders of the company have no equity either on the ground of cash put in or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern." This definite and clear-cut summary of the position of the shareholders the administration seeks to disregard when it proposes to submit the value of this stock to arbitration and, in addition, gives the right of appeal to the Supreme Court of Canada. If the shareholders of the company do not receive from the arbitrators what they think they are entitled to, they have the right of appeal. The one argument which seems to carry any weight against the Drayton conclusion is that there were some omissions in valuing certain lands in possession of the company. But it has not been advanced that this would make any material difference in the matter; certainly the difference would not amount to more than one-fifth the sum represented in the face value of the stock which it is proposed to acquire. We are forced to accept the Drayton report as substantially correct; it is the work of experts, of impartial and disinterested investigators.

This very point which I am discussing was referred to in an address delivered before the Canadian Club of Winnipeg in the month of July last by Sir Henry Drayton who was chairman of this commission whose report the Government are now resorting to every means to discredit. Substantially the same speech as Sir Henry Drayton delivered at Winnipeg before the Winnipeg Canadian Club was also delivered by him before the Canadian Club in Toronto. Both speeches were widely read and both excited very general interest.

In this connection, may I digress for a moment to pay a tribute to the public spirit displayed by Sir Henry Drayton? As the committee knows, as everybody who takes an interest in public affairs in this country knows, Sir Henry Drayton is chairman of the Railway Commission. As everybody knows, Sir Henry Drayton, when appointed to do this special railway work, threw himself whole-heartedly into it. As everybody knows, or should know, when the Government sent Sir Henry Drayton a cheque for $15,000 in payment of his services as chairman of this Drayton-Acworth Commission, Sir Henry Drayton, to his lasting credit be it said, returned the cheque, stating that he preferred not to accept any remuneration as it was his desire at this stage of the country's history to give his services free in connection with this railway investigation. Mr. Chairman, we cannot help contrasting the action of the chairman of this commission with the chairman, let us say, of the Imperial Munitions Board, who by another commissioner of the Government was lately shown to have exacted a margin of over $5,000,000 from the consumers of bacon in this country and in the Mother Country.

I desire to go back to this address of Sir Henry Drayton before the Canadian Club of Winnipeg. Speaking on the occasion to which I have alluded, Sir Henry Drayton said:

> I have but one interest in this whole question, and that is that of the people affected by it. The business men, the shippers, and the taxpayers should know just exactly what it means. For it is your business, it is your money, that is involved.

Later, in the same address, Sir Henry said, referring to the two companies whose finances he had under review:

> Much has been said by the companies about confiscation. The report confiscates nothing. On the contrary we proposed an arbitration under which the stockholders would get the potential value, whatever that would be,—value to-day there is none—whatever the book balances may show. The property to day cannot, in my view, be sold for the outstanding obligations against it.

Later on, in his address on the same occasion, Sir Henry, dealing with the question of confiscation, said:

> Similar charges of confiscation, if not robbery, are made in connection with the Canadian Northern. Again, if agreements and statutes amount to anything, the charge is ludicrous. Unless there is some special legal or moral rule under which railway companies, unlike ordinary people, are absolved from their contracts and obligations, the Canadian Northern, living as it is from loans made by the country, cannot well object to the country taking over its system.

In 1914 the company wanted guarantees. It got them to a very large amount. One of the terms under which the company got those guarantees will be found in section 24 of the Canadian Northern Guarantee Act of 1914 (chapter 20). Under that section, the Governor in Council has power when authorized by Parliament to declare by order if default is made by the company in payment of interest on guaranteed securities, that the equity of redemption of the company is absolutely barred and foreclosed, and thereupon the whole property becomes vested in the Dominion.

This default has been made. Not only has the default been made, but the Government has had to put up the money to make the default good. Is there any reason why the contract should not be enforced? Are railways to be treated as outside of and unreached by their solemn contracts?

And, Mr. Chairman, I repeat the question of the respected chairman of the Railway Commission: Is there any reason why the contract should not be enforced? And I say, Sir, let Sir Byron Walker and the Canadian Bank of Commerce answer that question of the chairman of the Railway Commission. The attitude taken by Sir Henry Drayton is plain and easily understood. Sir Henry refuses to accept book balances; he refuses to accept the paper statements of the Canadian Northern Railway Company as the basis of his judgment. Instead he insists upon getting the facts, and, having got them, he declares, both in his report and in his Winnipeg speech, from which I have just quoted, that the Canadian Northern Railway stock has no present value and that the property could not, in his judgment, be sold to-day for the outstanding obligations against it.

In view of this state of affairs, what can be more reasonable than that we should ask the Government to apply the remedy it provided in 1914 and to acquire the road under the provisions of its own statute of that year. Surely, Sir, nothing could be more reasonable than that, and, equally, may I say that there could be nothing more sure than that to a request of that kind the Government has no answer, at least no answer that could be satisfactory to the people of Canada, if it refuses to comply with the request.

Now, Sir, what is the present proposal? What does the legislation now before this committee mean? It means, first, the assuming of all the liabilities of the Canadian Northern Railway Company, the total amount of which nobody in Parliament apparently knows and which apparently may far exceed $500,000,000—in fact I think the hon. member for Pictou (Mr. Macdonald) has already shown that they are in excess of $600,000,000. It means, in the second place, the making of a present of millions of dollars to Mackenzie and Mann for stock which the Drayton-Acworth report says is of no value. It means, in the third place, the nominal taking over of the road, leaving the control or operation of it still in the hands of Mackenzie and Mann and Walker and Lash. I submit that the people of this country will not be deceived by any such financial or political thimble-rigging. The people of this country demand an altogether different arrangement. There is one thing in particular which the people of this country demand, and as it was referred to by the hon. member for Calgary (Mr. R. B. Bennett) I propose to quote his remarks on that point. Speaking in this House on the 16th of the present month, the hon. member said:

I am sure that this House has been waiting, as I have, for some assurance that the people who are now in control of the property are not going to be continued. If we are going to lend them money, and are to have power to name directors, there is nothing yet to indicate that we are going to exercise that power for the purpose of putting the present people out of business.

Later on he said:

That is the one thing we should like an assurance on, and I doubt not that before the Bill is through the House we shall have some such assurance.

Up to the present time that assurance has not been given, and I desire to say that unless my hon. friend the Minister of Finance, speaking for the Government, will give the committee, and through this committee will give this country, assurance that the gentlemen who have been for the last few years in control of that road; the gentlemen who are members of the interlocking directorates to which I have referred are removed, and an entirely new set of directors are appointed, the country will condemn the Government's action in most severe terms. When allusion was made a short time ago to a prospect of that kind an evasive argument was put up by some hon. gentlemen on the other side pointing out that there were a number of excellent officials in connection with the Canadian Northern whom it was desirable to retain in their present positions. It is not to these gentlemen that I have reference. I have reference to Messrs. Mackenzie and Mann, Sir Byron Walker, Mr. Z. A. Lash, and the financial backers who are connected with them. This country will never be satisfied with any arrangement which continues these men in control, or in the operation of

9 p.m.

this road. Let the Government continue as many practical railway men as they please, but let them get rid of the members of the eighteen who got together in 1911 and who have kept together in such significant fashion ever since.

In conclusion, I submit that the only terms upon which the people of Canada will approve the taking over the Canadian Northern system will be:

1. The payment only of what the Canadian Northern may, upon proper investigation, be proved to be worth.

2. The complete elimination from the management, control and operation of the road of Messrs. Mackenzie and Mann and Messrs. Walker and Lash.

Sir THOMAS WHITE: The hon. gentleman has, among other things, traced, to his own satisfaction at least, the genesis of this transaction, which, by the way, is the first step to be made by the Parliament of Canada in the nationalization of railways. He has traced the genesis back to 1911, when, he says, eighteen Liberals of Toronto signed a manifesto against the Reciprocity agreement, and he finds, to his own satisfaction again, that these Liberals were all connected with the group to which the Canadian Bank of Commerce and the National Trust Company belong. I wish to point out to my hon. friend (Mr. Murphy) that he could not find in the city of Toronto more representative men than those who signed that manifesto in 1911. They were not of any one group at all. Let me point out to my hon. friend the names of those who signed that manifesto. There was Mr. John L. Blaikie, one of the most respected citizens of Toronto, president of the Canada Landed and National Investment Company. He was not connected with the group to which my hon. friend referred. Then there was Mr. W. D. Matthews, ex-president of the Toronto Board of Trade and vice-president of the Dominion Bank, of which Sir Edmund Osler is president. Then, Mr. W. K. George, ex-president of the Canadian Manufacturers' Association and of the Toronto Industrial Exhibition, and vice-president of the Sterling Bank of Canada; Mr. Somers, vice-president of the Board of Trade and president of the Sterling Bank of Canada. Mr. R. S. Gourlay, president of the Toronto Board of Trade, and a piano manufacturer; the late Sir W. Mortimer Clark, LL.D., ex-Lieutenant Governor of Ontario, one of the most respected citizens not only of Toronto and of Ontario, but of the whole Dominion; Mr. R. J. Christie, president of Christie, Brown & Company, and a prominent manufacturer—Mr. Christie is on the board of the Dominion Bank; Hugh Blain, of Eby, Blain & Company, leading wholesale merchant and director not of any bank, but of the Globe, the chief Ontario organ of the Liberal party; Mr. H. S. Strathy, director and for many years general manager of the Traders Bank of Canada; Mr. Goldman, managing director of the North American Life Assurance Company—not in any way connected with the group to which my hon. friends refers—Mr. J. A. Somerville, who held the same position in the Manufacturers Life Insurance Company—both well known insurance men; Wellington Francis, a prominent lawyer and director of the Standard Bank and of several companies in Toronto; Mr. J. D. Allan, ex-President of the Board of Trade; Mr. John C. Eaton, now Sir John Eaton, president of the T. Eaton Company, Limited, said to have 17,000 employees in his service. Sir John Eaton is one of the best known commercial men in Canada; [illegible] though I am not positive—that he is on the board of the Dominion Bank. My hon. friend, therefore, is rather far-fetched in his argument when he traces the genesis, as he says, of this important transaction to the manifesto signed by eighteen citizens of Toronto with respect to reciprocity in 1911.

My hon. friend has said a good deal about the Bank of Commerce. I have before me a list of the directors of the Canadian Bank of Commerce and of its committees throughout Canada. I find that amongst the directors throughout Canada there are eighteen Liberals and nine Conservatives. I find among the leading directors of the Canadian Bank of Commerce Hon. W. C. Edwards, a most intimate friend of the leader of the Opposition. I find that at the time the list was published the late Hon. Sir Lyman Melvin Jones was a member of the Board of the Canadian Bank of Commerce. He was reputed to be the closest intimate friend in Toronto of the leader of the Opposition. I find also the name of Mr. F. P. Jones, general manager of the Canada Cement Company, a strong Liberal; and of Mr. H. C. Cox, son of the late Senator Cox, one of the pillars of Liberalism, and one of the greatest personal friends of the leader of the Opposition. In addition to that, among the members of the Sherbrooke Committee of the bank I find the name of F. N. McCrea, Esq., M.P., our respected colleague in this House. The only reason I bring this

forward is to show that my hon. friend is somewhat far-fetched in his argument with regard to the political affiliations of the bank.

He has stated that the National Trust Company has obtained some Government business since 1911. I may point out to my hon. friend that trust companies which hold trust mortgages on railway enterprises to secure bond issues are usually named by the railway company subject to the approval of the Government. The very first trust mortgage that was executed by the Canadian Northern Railway Company to secure Government guaranteed bonds was executed during the regime of the Government of which my hon. friend was a member through the same National Trust Company. There is nothing strange, or unusual, therefore, in the National Trust Company being appointed trustee under the mortgage securing guaranteed bonds.

The hon. gentleman in the House the other night referred to Mackenzie, Mann & Company as the masters of the Administration. I have always understood that Sir Donald Mann was one of the pillars of the Liberal party. When Sir Donald comes to Ottawa, it looks like the scene of a great Liberal convention; most of my friends opposite are at the Chateau or at the club to do him reverence. We had better see things in their true light.

My hon. friend is trying to make out that a group prominently associated with the Conservative party are responsible for this legislation. Let me tell him that if he wants to get back to the real genesis of the railway situation that confronts us to-day and has confronted us for six years, he must go back to the railway policy of the late Administration. We are confronted, as I have pointed out, not with a theory but with a condition. I have pointed out where the responsibility lies for the railway policy which has produced the result that we have been discussing here for the last couple of weeks. The genesis of it was the guarantee of $35,000,000 on the line of the Canadian Northern between Montreal and Port Arthur. The genesis was the policy of connecting the Canadian Northern with the shores of the Pacific, as recited in the preamble to that Act under which $35,000,000 were guaranteed by the late Government in 1911. This Government has had to face and deal with a railway situation. Notwithstanding what my honourable friend may say about groups, the situation is simply this: the Grand Trunk Pacific and the Canadian Northern systems will go into liquidation unless assisted by the Government. It is not a matter of groups at all. This is too large a situation to be dealt with, if I may say so without disrespect, in the petty partisan spirit in which it has been dealt with in this House and in this debate. Honourable gentlemen should not put forward arguments that they have put forward with regard to this situation; it is too large, too important.

My honourable friend has referred to the Drayton-Acworth report; he has said that the Government is seeking to discredit it. On the contrary, I stated that it was an admirable report. Moreover, the Government's railway policy follows the main lines of the Drayton-Acworth report, so far as we can follow it to-day. The Drayton-Acworth report recommended the taking over of the Grand Trunk Pacific, and the Grand Trunk. We are not going so far as that at this time, but we are taking over the Canadian Northern in precisely the way that Sir Henry Drayton and Mr. Acworth recommended, at least so far as taking the stock instead of taking the physical assets of the road is concerned. In their report on this matter Messrs. Drayton and Acworth recommended the creation of a Dominion Railway Board. I quote from their report, page LVIII:

> In order to give the Board of Trustees—

That is, the Dominion Railway Board, which they recommended should be formed.

> —control of the railways mentioned, the following stock should be tranferred to them:
>
> Canadian Northern.—The $40,000,000 common stock vested in the Canadian Government should be assigned by the Government to the trustees, and also (subject to what we report below as to compensation for existing equities) the $60,000,000 still remaining in the hands of private persons.

The Drayton-Acworth report did not recommend that the Dominion Railway Board should take action under the legislation of 1914, although the Commissioners suggest that if the Canadian Northern would not transfer this stock, subject to certain consideration of their equity, the legislation of 1914 might be used as a club to make them do so. But what they suggested was that the $60,000,000 of stock of the Canadian Northern outstanding in the hands of private persons, should be transferred to the Dominion Railway Board, just as we are providing now that it shall be transferred to the Dominion Government. They do not suggest that we should foreclose under the legislation of 1914. We are

following the lines of the report so far as we can consistently with a programme which we are adopting, namely, the taking over first of the Canadian Northern Railway system. Although I do not emphasize the point because it has been referred to over and over again in the course of this debate, there is no doubt that there has been an omission of assets. The financial comptroller of railways has taken the matter up himself in the audit of the books, and he has drawn it to the attention of both Professor Swain and Sir Henry Drayton. There is no doubt that the land grants and the deferred payments on land sales were omitted with the cash and accounts receivable. Professor Swain, on page 43 of his report, points out specifically that cash on hand is a physical asset. He also mentions the working capital, and he says:

> Your attention is called to these two matters for the reason that neither have been included in the present valuation, and it may be desirable for you to inquire as to the cash on hand and to take account of it as well as of a proper allowance for working capital, in whatever use you may wish to make of the results of this valuation.

We are therefore adopting the mode prescribed by the Drayton-Acworth report, namely, of acquiring the stock rather than the physical assets of the system, and without doubt they were right in that mode because, as I have repeatedly pointed out in this House, it lends itself to the financing of the railway company.

My hon. friend (Mr. Murphy) has referred to a number of articles from newspapers of good standing, but I will point out to him that it is not possible for the Government to trace down all statements made in newspapers. We would not make very much headway with legislation in this House if we busied ourselves with taking up all statements made by newspapers, even those of high standing, throughout the Dominion, in relation to such legislation. My hon. friend read an article from the Montreal Star in which it stated that certain assets were omitted. I have no knowledge of such assets being omitted. In order that the House and the country may know that the Government has fairly accurate information with respect to this transaction, I desire to say this: That the following investigations into the affairs of the Canadian Northern Railway Company have been made by this Government:

1. In respect of all lines subsidized, the expenditure has been checked both by the engineers of the Department of Railways and Canals and by the Government auditors.

[Sir Thomas White.]

2. In 1914, the Government appointed three auditors to investigate the finances of the company. A complete survey was made from the inception of the company down to the beginning of 1914. All receipts and expenditures of the company were investigated, and a complete report of the Government auditors has been tabled in the House.

3. The legislation of 1914 called for the filing by the company of a condensed balance sheet of the whole system properly audited. This has been done. Since that date the engineers and the auditing staff of the Department of Railways and Canals have been keeping in touch with the construction going on on the system and investigating the expenditures in connection therewith.

4. The legislation of 1916 provided for the appointment of independent Government auditors. We appointed one of the leading firms of auditors, a firm of international reputation and standing, Messrs. Marwick, Mitchell, Peat and Company, well-known, I have no doubt, to all the members of the House. They have audited all the books of the company for the Government.

5. In addition to that under the legislation of 1916, we appointed a Royal Commission to investigate the affairs of the Canadian Northern Railway Company. This commission made a very complete report which has been under discussion in this House.

In addition to that, the directors of the Canadian Northern Railway Company appointed a board of New York experts to investigate the affairs of the company. That, I believe, was made public.

We have, therefore, had very full information as to this, and I may say to my hon. friend that, so far as I know, there is no mystery in connection with the affairs of the Canadian Northern Railway Company. We have had their affairs under continuous investigation by the Railway Department, and we are not aware of any assets that have been omitted, nor are we aware of any disclosures which will be made such as my hon. friend has suggested.

I believe that this transaction carried out will result in the Dominion of Canada acquiring a great railway system which will, for the present and in the future, inure to the benefit of the people of Canada. The present position is that we are a shareholder to the extent of 40 per cent. All that we are doing is acquiring the majority interest, and we are acquiring it in a manner that would be considered fair as between

man and man. If the stock has no value, the arbitrators will so find; if it has some value, the arbitrators will so find. Why should we assume that the arbitrators will find a value that does not exist? We have given an earnest of our intention in the matter by appointing the Chief Justice of Ontario as one of the arbitrators. Unless the Chief Justice of Ontario agrees to the award as to the value of the stock, there is an appeal to the Supreme Court of Canada. Why should we not have confidence in our own courts? What reason have we to assume that the Supreme Court will deal with this matter otherwise than they deal with other matters, that is to say, fairly, judicially and impartially? What reason have hon. gentlemen opposite to suggest that any but a fair result will come from this arbitration?

My hon. friend from Russell (Mr. Murphy), at the outset of his remarks, asked for a good deal of information, most of which has been laid upon the table of the House. He asked in regard to the Montreal Tunnel and Terminal Company as to damages. I laid upon the table of the House a statement by the solicitor of the company, a gentleman in whom I have every confidence, and I have been assured, since my hon. friend made his remarks respecting claims for damages, that that report deals with all claims of which the railway company has notice, save for this, that in some cases, the matter is to stand for a year. A tunnel is not an unusual thing in railway construction. Take the tunnels in New York. The experience has been that the damages are not very considerable by reason of the construction of those tunnels. My hon. friend has referred to many claims for damages of which he has heard.

Mr. MURPHY: Claims for compensation as well as damages.

Sir THOMAS WHITE: Very well. Claims may be well founded or they may be ill founded; there may be fictitious claims and there may be claims that are good. The position is that the railway company has made an accurate statement of such claims as have been brought to their attention.

Mr. MURPHY: They have done nothing of the kind. I refer to claims for land for which nothing has been paid.

Sir THOMAS WHITE: Land in connection with what?

Mr. MURPHY: With the right of way.

Sir THOMAS WHITE: I am speaking of the claims for damages in connection with the Montreal Tunnel and Terminal Company.

Mr. MURPHY: I am speaking of that also, and I have the papers in my pocket.

Sir THOMAS WHITE: I am informed and believe that the claims they have had to deal with are those set out in that report.

Mr. MURPHY: That is not correct.

Sir THOMAS WHITE: With regard to other claims, how far would that matter advance the discussion of this measure? This is a big transaction, a transaction in which we are acquiring the control of a railway system. Any claims for damages in conection with the Montreal Tunnel and Terminal Company will have to be dealt with in the usual way. If they are sound claims, they will be an obligation of the Tunnel and Terminal Company. The situation is not changed in respect to those by what we are doing. My hon. friend would not suggest that, in the taking over of a great railway system, the fact that there were some outstanding claims should stand in the way of a transaction of that magnitude. My hon. friend raised another question this afternoon. He said, are there long standing contracts between the company and its officials?

I am officially informed that there are no such outstanding long-date contracts. I am told there are only two contracts entered into, and those were in connection with operating men, and were cancelled some time ago.

I have given practically all the information that my hon. friend has asked for. He also raised the question in reference to which the Prime Minister replied by telegram to the Prime Minister of British Columbia respecting the Canadian Northern. I have obtained a statement in regard to that. I do not believe it will advance the discussion of this matter very much, but still I have such regard for this House that I try to get all information that is asked for. The statement is as follows:

Canadian Northern Railway System, June 30th, 1917.

The following statement shows the lines of railway and other works of the Canadian Northern Pacific Railway which have been aided by the guarantee of securities by the Province of British Columbia, also the extent of the guarantee in each case:—

1 (a) Main Line.. .. ..500 miles.
(b) Vancouver Island..100 miles. 600 miles.

C.N.P. 4% Securities Guaranteed, $35,000 per mile.
C.N.P. 4½% Securities (on Main Line only) $10,000 per mile.
2. Branch Lines:
(a) Westminster to Vancouver.. 11 miles.
(b) Westminster to Steveston.. 15 miles.
(c) Victoria to Union Bay.. .. 18 miles.
(d) Vancouver Island Extension 150 miles.
(e) Kamloops to Vernon.. .. 145 miles.

339 miles.

C.N.P. 4½% Securities Guaranteed, $35,000 per mile.
3. Terminals: $10,000,000.
Vancouver,
New Westminster,
Port Mann,
Steveston,
Victoria,
Union Bay.
C.N.P. 4½% Securities Guaranteed, $10,000,000.

As to 1, the Main Line has been completed. The first 100 miles on the Island have been fully graded, but not railed on account of the impossibility of obtaining steel. So far as item No. 1 is concerned, there are practically no further obligations to be assumed with the exception of tracklaying on Vancouver Island Line.

As to 2 (a), the construction of the line between New Westminster and Vancouver has been deferred. In the meantime the company has entered into a running rights arrangement with the Vancouver, Victoria & Eastern railway to use their line between these points. This arrangement had the sanction of the local authorities, the line being opened for traffic by them accordingly. In view of the fact that this avoids duplication of lines and will answer the purposes of traffic for many years, it may be expedient to subsequently consider making this arrangement permanent.

As to 2 (b)—New Westminster to Steveston Line graded and track laid. Connection with Main Line at New Westminster end, including bridge over North Arm of the Fraser River yet to be constructed, this portion being deferred pending consideration of utilization of existing lines of another railway.

As to 2 (c), Victoria--Union Bay Line is completed and in operation.

As to 2 (d)—Vancouver Island Extension. Line graded to Alberni. Construction north of this point deferred owing to war.

As to 2 (e)—Kamloops to Vernon. Branch line from main line into city of Kamloops under construction and certain rights-of-way acquired. Construction on balance of line deferred owing to war.

As to 3—Terminals. The company's programme for terminals at Pacific Coast points involved an expenditure of approximately $10,000,000, of which the principal works were in the City of Vancouver. It was intended that these facilities would be provided from time to time to meet the requirements of traffic upon the opening of the various lines. The war having begun prior to the completion of any of the lines, this delayed the company's terminal programme. Contracts, however, were made with various parties for the necessary filling of False Creek and the construction of a station, terminal, freight sheds, etc. This work is in progress at the present time and it is expected will be completed ready for operation early in the New Year. The agreement with the Province of British Columbia does not specify the extent of the obligation of the company in respect to these terminals, it being merely provided that the proceeds of the guaranteed securities above mentioned should be entirely expended for such purposes.

It should be noted that the original contract with the province made under date of 2nd April, 1910, has been modified in certain particulars by special arrangements between the company and the province, and it is specifically provided in the contract that if, owing to unforeseen engineering difficulties or other circumstances beyond the reasonable control of the company, it will be impossible or impracticable to carry out absolutely the terms of the agreement, the Lieutenant-Governor may from time to time authorize amendments therein so long as the spirit of the agreement is not departed from.

With respect to the construction of the balance of the mileage referred to in 2, conditions arising out of the war have rendered it impossible at the present time to proceed with the further construction of branch lines. No change in these conditions can be expected until at least some time after the conclusion of the war, and even then unforeseen circumstances may arise which will require an entire readjustment of the arrangement between the company and the province with respect thereto.

Municipal Obligations.

The Canadian Northern Pacific railway has not entered into any contract with any municipality in British Columbia with the exception of the City of Vancouver, with regard to the False Creek terminals. Considerable progress has been made in the performance of this contract and the work is still under way, provision for this being largely included under the terminal securities guaranteed by the province. Owing to conditions arising out of the war, this work, in common with the work upon the lines of railway, has been more or less delayed, but the contract with the municipality makes provision for extension of time due to delays arising by reason of strikes.

That is the answer to my hon. friend with respect to the British Columbia situation. I think I have covered most of the points he referred to, except what he stated in closing. My own view is that the Canadian Northern Railway Board will have to be constituted by the Government, of men of high standing, who will administer the affairs of that company in an absolutely efficient and non-partisan manner. The present board will have to be changed. The Government will have to constitute the board of the Canadian Northern railway, when it becomes a government organization, in such fashion as to get the best results, not only from an operating standpoint, but also from the standpoint of the public interest. It is manifestly impossible for me to say how the board will be reconstituted, but it must be changed; there is no question in my mind about that.

[Sir Thomas White.]

As far as the operating staff is concerned, it would be a misfortune—I think my hon. friend will agree—if the railway company should lose the services of its skilled operating staff. That question to my mind should not arise. Looking to the future, and adopting, as I have said, the principles of the Drayton-Acworth report, one can see the operating board, appointed by the Dominion Government in some such fashion as has been recommended in the Drayton-Acworth report, administering the Canadian Government Railway system throughout Canada. That is what one would look forward to seeing, and I believe the people of this country will support a policy looking to that end in connection with the acquisition and operation of such railway systems as may come into the hands of the Government of Canada.

I am sorry my hon. friend looking at this great transaction, which, as I stated, is the first step towards railway nationalization in Canada, sees only the secondary and subsidiary features of it. The fundamental issue in the transaction which is now before the House is that the Government of Canada is acquiring a great railway system. It is the beginning of public ownership of Canadian railways; I do not say of all Canadian railways, but it is a great step forward. That is the main and fundamental fact. The question of purchasing the $60,000,000 stock owned by the majority shareholders is really a secondary and subsidiary question.

Mr. PUGSLEY: A mere bagatelle.

Sir THOMAS WHITE: No, I do not say a mere bagatelle. My hon. friend must not put such words in my mouth. We must acquire the $60,000,000 par value of the Canadian Northern stock in order to get control of the system; in other words, in order to carry out the provisions of the Drayton-Acworth report in that regard, because they recommended not the taking over of the physical properties of the company, but the acquisition of the stock. This Bill, and the resolution which preceded it, have been under discussion for many days. The discussion which has taken place here today is really discussion pertaining more to the second reading of the Bill than to the first clause. We have made no progress in committee. The transaction is, of course, an important transaction, but unless hon. gentlemen on both sides of this House are going to be here all summer we must make progress with this Bill. I therefore beg to move:

That further consideration of clause 1 be postponed, and that clause 2 be taken up.

The CHAIRMAN: Sir Thomas White moves that section 1 of the Bill be not now further debated, and that the committee proceed to the consideration of section 2.

Mr. PUGSLEY: Under what rule is that?

Sir THOMAS WHITE: It is a motion; not debatable.

The CHAIRMAN: Under Rule 17 A.

Mr. PUGSLEY: There has been no notice given of this.

The CHAIRMAN: This motion is not debatable. I may read the rule, if the hon. member wishes.

Mr. PUGSLEY: Read the rule.

The CHAIRMAN (Reading):

17 A. Every motion heretofore debatable made upon routine proceedings except adjournment motions and every motion standing on the order of the proceedings for the day, or for the concurrence in a report of a standing or a special committee, or for the previous question, or for the third reading of a Bill, or for the adjournment of the House when made for the purpose of discussing a definite matter of urgent public importance, or for the adoption, in Committee of the Whole, or of Supply, or of Ways and Means of the resolution, clause, section, preamble or title under consideration shall be debatable; but all other motions shall be decided without debate or amendment.

Mr. PUGSLEY: Mr. Chairman, this motion cannot be made without notice.

Mr. L. A. LAPOINTE: What is the effect of this motion?

The CHAIRMAN: The effect is simply to proceed to section 2.

Mr. PUGSLEY: Under what rule? That cannot be done without debate.

Some hon. MEMBERS: Carried.

The CHAIRMAN: Order.

Mr. PUGSLEY: The question is still under consideration, I respectfully submit, until the minister gives notice.

The CHAIRMAN: Order.

Mr. PUGSLEY: The question is still under consideration.

The CHAIRMAN: The motion requires no seconder.

The motion was declared carried on division.

Mr. PUGSLEY: I make an appeal to the House from your ruling, Sir.

The CHAIRMAN: Order.

Mr. PUGSLEY: This cannot be done without notice.

The CHAIRMAN: Order.

Mr. PUGSLEY: You cannot stop the House without notice in this way. Of course, we may be overruled—we may be voted down—and closure may be applied contrary to the rules, but I appeal from your ruling. Sir.

Mr. C. A. WILSON: Perhaps the Prime Minister would give the House the benefit of his opinion.

Mr. Speaker having resumed the Chair, the chairman reported:

In the Committee of the Whole it was moved by Sir Thomas White that the further consideration of clause 1 be postponed and that the consideration of clause 2 be now taken up. The hon. member for St. John (Mr. Pugsley) raised the point of order that such motion required notice and was debatable. The Chairman ruled that the said motion did not require notice and was not debatable. From this ruling the hon. member for St. John appealed to the House.

The House divided on the question: Shall the ruling of the Chair be confirmed:

YEAS.

Messieurs:

Ames (Sir Herbert),	McLean (Queens, P.E.I.),
Armstrong (Lambton),	Meighen,
Arthurs,	Nicholson,
Bennett (Simcoe),	Paul,
Borden (Sir Robert),	Rainville,
Boyce,	Reid,
Brabazon,	Roche,
Burrell,	Schaffner,
Clark (Bruce),	Scott,
Clark (Red Deer),	Sevigny,
Cochrane,	Sexsmith,
Crothers,	Shepherd,
Descarries,	Steele,
Donaldson,	Stevens,
Edwards,	Stewart (Lunenburg),
Foster (Sir George),	Sutherland,
Fripp,	Taylor,
Glass,	Turriff,
Hanna,	Webster,
Hazen,	White (Sir Thomas).
Henderson,	
Maclean (York, O.),	—42

NAYS.

Messieurs:

Bourassa,	Lemieux,
Cardin,	Loggie,
Demers,	Macdonald,
Douglas,	McKenzie,
Gauthier (St. Hyacinthe),	Marcile (Bagot),
Gauvreau,	Michaud,
Hughes (Kings, P.E.I.),	Murphy,
Kyte,	Nesbitt,
Lanctot,	Oliver,
Lapointe (Kamouraska),	Papineau,
Lapointe (Montreal, St. James),	Pugsley,
	Seguin,
	Verville.—24.

[The Chairman.]

PAIRS.

Messieurs:

Ministerial.	Opposition.
Alguire,	McMillan,
Bowman,	Truax,
Boulay,	Power,
Bradbury,	Cruise,
Boys,	Ross,
Burnham,	Proulx,
Best,	Barrette,
Barnard,	Achim,
Ball,	Turgeon,
Bellemare,	Lafortune,
Currie,	McCoig,
Cockshutt,	Charlton,
Cromwell,	Tobin,
Chabot,	Beland,
Green,	Buchanan,
Clements,	Knowles,
Doherty,	Marcil (Bonaventure),
Davidson,	Carroll,
Elliot,	Pacaud,
Forget,	Bickerdike,
Henderson,	Nesbitt,
Jameson,	Cash,
Hartt,	Thomson,
Kemp,	Robb,
Marshall,	Neely,
Munson,	Boyer,
McCurdy,	Maclean, A. K.,
Morris,	Boivin,
Morrison,	Molloy,
Middlebro,	Pardee,
McLeod,	Carvell,
Patenaude,	Devlin,
Nickle,	Kay,
Porter,	Guthrie,
Rogers,	Lachance,
Robidoux,	Copp,
Smith,	Graham, Geo. P.,
Stewart, T. J.,	German,
Stanfield,	Laurier (Sir Wilfrid),
Thompson,	Sinclair,
Thoburn,	McCrea,
Tremain,	Chisholm,
Thornton,	Clarke (Essex),
Wilson,	Wilson,
Wright (Muskoka).	MacNutt.

The ruling of the Chair was accordingly confirmed.

The House resumed in committee, Mr Rainville in the Chair.

The CHAIRMAN: Is it the pleasure of the committee that the consideration of clause 1 be postponed and that clause 2 be now considered?

Some hon. MEMBERS: No.

The motion of Sir Thomas White was carried, Yeas 46; Nays 30.

On section 2: Transfer of shares.

Mr. PUGSLEY: I think that this section requires a good deal of consideration, particularly when it is taken in connection with section 1. It refers to a certain agreement in section 1, but section 1 has not yet been passed. Still it is an agreement at which we have a right to look although we

do not know whether it will ultimately be passed. We have to consider it in connection with the clause now before the committee. This clause provides that upon making of said agreement these 600,000 shares shall be transferred to the Minister of Finance in trust for His Majesty. The section is based upon the idea that His Majesty will acquire by purchase the 600,000 shares of the stock as referred to in an agreement which is in contemplation and which is provided for in a previous section, the consideration of which the committee has decided to allow to stand. It is certainly extremely inconvenient that we should be called upon now to determine as to the passing of a section which relates to an agreement set out in another section in respect to which the committee has decided not to proceed to a conclusion. In my opinion the committee should not pass a section which authorizes the taking over of shares by Order in Council as it is proposed by this section, which is dependent upon the making of an agreement of purchase. My hon. friend the Minister of Finance, has asked the majority of this House to shut off discussion and has thereby, by brute force, prevented a large number of members of this House, who are here representing the people of this country and who are desirous of letting the people of Canada know why they were opposed to this most objectionable measure. The Minister of Finance and the Government may think and the majority of this House may think that by shutting off discussion and making use of the closure to throttle the members of this House, they will appeal to the good judgment of the people of this country. But let me tell them that their course will not appeal to the judgment of the people. The people of Canada want to know more about this deal. They want to hear more on the question and they want to be informed more fully than they have yet been informed as to the reason why this Government has departed from the statutory agreement which was made in 1914, an agreement which was binding upon this House, binding upon this Government, and equally binding upon Mackenzie and Mann and the Canadian Northern Company. They want to know why this Government, having in 1914 pledged the credit of this country to the enormous sum of $45,000,000 upon the faith of a solemn agreement which the Canadian Northern Railway Company entered into and Mackenzie and Mann entered into and which was embodied in the statute of 1914 and under the provisions of which they accepted of that aid, the people want to know why the Government is deliberately letting Mackenzie and Mann free from the obligations of that agreement and is proposing to involve the people of Canada in a liability which may reach the enormous sum of $60,000,000 in addition to $500,000,000 and more of obligations which the country will be called upon to assume in connection with the purchase of this road. Are hon. gentlemen on this side of the House, by the force of majority rule, to be debarred from expressing their views on this great question? Are they to be told that they are mere automatons with no opportunity for discussion, no opportunity of expressing their opinion? I shall endeavour, Sir, to take advantage of the rights which are still left to us; we may not have them long. Under the closure rule, under the rule of the gag, my hon. friend, having first got the committee to order that these various sections stand—contrary to the spirit of the rules; contrary to the spirit that animates every free Parliament—can give notice that at the next sitting of the committee he will ask the committee to vote that there shall be no further consideration of these clauses. He may then have the vote taken and the Bill passed without members of the House having fair opportunity for discussion. It is open for my hon. friend to do that; I judge from what he has done to-night that he will not hesitate to do it. Well, having begun the closure, my hon. friend, I hope, will carry it through to its final conclusion. He has attempted what is outrageous; let him carry his outrageous procedure on to its logical consequences.

10 p.m.

My hon. friend has made the statement that the Drayton-Acworth report recommends the purchase of the stock of the Canadian Northern Railway Company by arbitration. The report does nothing of the kind; my hon. friend is giving an entirely wrong impression to the committee of the effect of the Drayton-Acworth report. The commissioners do say that the control of the stock of the Canadian Northern Railway Company should be vested in trustees, but they proceed to say that the stock has no value; that the Government should pay nothing for it. Let me read from the Drayton-Acworth report, page XLIII, so that we may see whether my hon. friend has correctly stated what the report says:

> We find, then, $370,000,000 to be the maximum possible cost of the Canadian Northern

system as at present existing. In other words, as indeed is frankly admitted by Canadian Northern witnesses, the Canadian Northern shares represent no cash investment.

Then, proceeding to deal with the physical aspects of the case so far as the property is concerned, they say, page XLIV:

> We conclude, therefore, that the shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern. If, then, the people of Canada have already found, or assumed responsibility for, the bulk of the capital; if they must needs find what further capital is required; and if they must make up for some years to come considerable deficits in net earnings, it seems logically to follow that the people of Canada should assume control of the property. We return later to the Canadian Northern Company in order to set out our recommendations as to its ownership and management in the future and as to the terms to be offered to the existing shareholders.

I draw the attention of the committee to the last words of this paragraph, in which the commissioners say that they will return later to the Canadian Northern Company in order to set out their recommendations as to its ownership and management in the future and as to the terms to be offered to the existing shareholders.

If you turn to page LXXXIV of the report you will see that the commissioners expressly declare that the Government has the power to take over the whole equity of redemption by passing an Order in Council under the provisions of section 24 of the Act of 1914. They say:

> In the case of the Canadian Northern Railway Company no proceedings in court are requisite. Under the provisions of section 24 of the Canadian Northern Railway Guarantee Act, 1914 (4-5 Geo. V, Chap. 20), the Governor General in Council has power, when authorized by Parliament, to declare by order, if default is made by the company in payment of interest on the $45,000,000 guaranteed securities (the interest on which is at present being found by the Government) that the equity of redemption of the company is absolutely barred and foreclosed; and thereupon the whole property becomes vested in His Majesty in right of the Dominion of Canada.

If words mean anything, that means, according to the declaration of these commissioners, that the total cash put into this property is some $370,000,000; that the outstanding securities and underlying obligations which the Government will be obliged to assume if it takes over the property amount to very much more than that. Without taking into account contingent liabilities, the outstanding securities and underlying obligations would amount to the enormous sum of $428,000,000—and I very much doubt whether that is the total. Bearing in mind the amount of cash that the commissioners declare to have been put into the system, $370,000,000, you can understand that they are justified in declaring that the shareholders have put no money into the property; that the road has been built entirely by subventions of Governments and municipalities and by some unguaranteed securities which have been floated; that there is no value in the equity of redemption. They call the attention of the Government, in connection with that statement, to the fact that under section 24 there is provided a summary mode by which the equity of redemption may be barred and foreclosed by this Parliament without asking permission of the Canadian Northern Railway or of Mackenzie, Mann & Company, without any proceedings in court. One can well understand why Sir Henry Drayton and Mr. Acworth recommend that that course should be taken and why they direct the attention of the Government to the fact that provision for the summary foreclosing of the equity of redemption was contained in the Act of 1914.

The commissioners recommend that the property should be transferred to a new company which should be organized and which, they suggest, should be called the Dominion Railway Company. They say that there should be referred to arbitration the matter of what small proportion of stock in the new company—I think they estimated it at one-half of five per cent—shall be handed over to Mackenzie and Mann in consideration of the services which they had performed in connection with the Canadian Northern Railway system. One can see the reasonableness of that. The view of those commissioners was that the obligations of the Canadian Northern more than represented its value. Their opinion was that, dealing with it from every business point of view upon which you could deal with a railway, upon its actual cost, upon the cost of reproduction at pre-war prices, or upon its earning power, there was no money in it for the shareholders, and that, therefore, the shareholders had no value in the equity of redemption. But they say: After you have formed your company to take over the Canadian Northern Railway system, it would be a reasonable thing to set aside one-half of five per cent of the stock of the new company, from which amount of stock Messrs. Mackenzie and Mann might, in case the operations of the road became suc-

cessful in the future, derive some little income. That would mean, if, as the commissioners thought would be done, the provisions of section 24 of the statute of 1914 were acted upon, the transferring over to the Government of the entire property of the Canadian Northern Railway system, all the stock of the subsidiary companies and all the property covered by the mortgage of 1914. It would not mean the paying out of any money to Messrs. Mackenzie, Mann and Company. It would simply mean the forming of a new company in which, as I have stated, they would have this small amount of stock, namely, one-half of 5 per cent. What is there in that report to warrant the Minister of Finance in stating that, in proposing to acquire the stock by arbitration, he is acting upon the recommendation of the commissioners? I defy him to read this report through from beginning to end and to find in it anything to justify the Government in bringing down the Bill now before us. The recommendations of the commission are entirely opposed to any such idea as that contained in the Bill. The Minister of Finance has also stated that the commissioners have made a large error in their assets. He says that the financial comptroller of railways has called their attention to the error. The minister, however, has not informed the committee as to what is the report of the commissioners. It would have been welcome if he had done so. I am told they say that there is no error in their report. I am told they say that they took all the assets into consideration. I may be wrong in that, but it is most extraordinary that the Minister of Finance, while telling us to-night that Mr. Bell, the comptroller of railways, has called the attention of the commissioners to this alleged error, has not made any statement to the committee as to the reply of the commissioners. So far from there being any error, as far as I am able to judge, all the assets which are properly on the page opposite the liabilities have been taken into consideration. By turning to page 41 of the report, I find this language of the commissioners:

> The property investment of the Canadian Northern Railway system is stated in the balance sheet of June 30, 1916, at $494,112,489.34. This figure admittedly has been written up to include $100,000,000 of capital stock.

It is admitted upon every hand that the $100,000,000 of capital stock, for which this Government proposes to pay through the medium of an arbitration, is all water. It does not, as every one admits, represent a single dollar of money invested in the Canadian Northern enterprise. If, therefore, we take $100,000,000 from the $494,142,489.34 given as the property investment in the company's own balance sheet, we have left only $394,112,489.34. The commissioners go on to say:

> And this stock, as we have already said, was issued without any cash consideration. We have endeavoured to ascertain the actual cost of the system. From the company's official report and special statements supplied to us, we have ascertained that the maximum cash investment that have been made in the property is $383,302,451.33.

Therefore, the obligations which this Government will assume in respect of that property are very much larger than the maximum cash investment, so that the equity of redemption can have no value. The commissioners continue:

> The following tables, which have been accepted by the company as accurate, show:
> 1. The source of money or credit.
> 2. The disposition of money or debit items.
> 3. A list of bonds of constituent companies assumed.

Then they give a full statement of the source of money or credit which was available to the company at different times, and they make the total, according to the company's own statement, $436,173,761.87, and then they show the disposition of money or debit items, and they show that the amount available for road and equipment was only $363,086,705.30. They add to that bonds assumed in part payment of lines purchased, amounting to $20,215,746.03, making a total of only $383,302,451.33. In that statement they have taken into consideration the proceeds of all those land grant bonds, because they show land sales of 16,000,000 odd dollars, and they show the total cash realized from securities sold as being $302,713,872.69. What warrant has the Comptroller of Railways or the Minister of Finance for saying that they have not taken the proceeds of the land grant bonds into consideration? It may be true they have not taken the lands. Why should they? According to the suggestion of my hon. friend, they should put on the credit side of this account the proceeds of the land grant bonds that are issued and outstanding to-day against the lands to the enormous amount of $21,000,000, which the Government purposes asking the people of Canada to assume. Why should they credit the proceeds of land grant bonds and also give a credit for the value of the lands? That would be giving a double credit for the same security. They have not done that, and it

would be the most absurd thing in the world to do it. Nevertheless, the Minister of Finance tells us that the error is that they have not put in those 2,000,000 odd acres of lands, lands in Quebec and Ontario for the most part, and some 800,000 acres of raw prairie land. He says that they should be put in. That would be in addition to the proceeds of securities which have been issued against those very lands. The Minister of Finance heard my hon. friend from Welland (Mr. German) state that, if the Minister of Finance were correct, there might be an error of $65,000,000, and he did not correct him although he knew that, even by Mr. Bell's own statement, $25,000,000 of that on the credit side of the amount was to be wiped off by $25,000,000, which he said was short in the liabilities.

The Minister of Finance heard the hon. member for Welland make that statement, and I assume that he did not know what the figures were, or he would have corrected my hon. friend and prevented the information going out that a possible error had been made by these commissioners. When you take into account the fact that the $25,000,000 that Mr. Bell, the Government comptroller, says should be on the credit side, is counterbalanced by the $25,000,000 of liabilities that he says are there, and when you also take into account the proceeds of the land grant bonds, and the liabilities that exist against the land to a far greater amount, I believe, than their value, you can see that the commissioners have taken into account every dollar which ought to be placed on the credit side of the question, and it is no wonder that the Minister of Finance has not presented to this committee the answer they made to Mr. Bell when this error in their report was pointed out. To my mind, the commissioners have not a shadow of doubt that their statement as to assets and liabilities is absolutely correct.

The Minister of Finance has said that this is a great undertaking. We are entering upon the principle of Government ownership, and the question of what we pay for the road is a secondary consideration, he says. When I suggested that the $60,000,000 that it was proposed to pay was a mere bagatelle, the Minister of Finance repudiated that idea, but yet he says that the $10,000,000 or $20,000,000 or $60,000,000 that we shall pay to the Mackenzie Mann interests, and to their financial associates in the city of Toronto, is a secondary consideration. I do not believe it is. I do not think the people of Canada will believe it is. When the people of this country come to the conclusion that there are liabilities outstanding in the vicinity of $500,000,000—the minister cannot tell us whether it will be $500,000,000 or $600,000,000—when they realize the enormous liability they will be called upon to assume, and that to put the lines in that perfect order which a Government would feel bound to put them in, will mean the further expenditure of a great many more millions, perhaps running up to $100,000,000, when they realize that according to the statement of the Minister of Finance there is to-day, and will be for some years to come, a deficiency, so far as interest charges are concerned, amounting to no one knows how much—it is estimated at from $5,000,000 to $6,000,000, possibly more, but at all events an amount which will represent the interest on at least $100,000,000 more—when the people of this country find that contrary to the statutory agreement made in 1914, contrary to any agreement which exists on the part of this Parliament, they are being involved in the possibility of a further liability which may run up to at least $60,000,000, I do not think that the people of this country will look upon that as a secondary consideration. Speaking for my own province, I know they won't.

Down there we have a large number of railways, the taking over of which this Parliament approved of several years ago, and to the taking over of which, the faith of the Prime Minister and of the Conservative party was pledged several years ago; and yet the Minister of Railways has been telling our people that the Government cannot proceed to acquire those railways because of the war, and there being no money to spend while the war is on. The people of my province—and they are not limited to any one section of the province, but dwell in many different counties in New Brunswick and are deeply interested in this question, as the scores of letters I have received will show—claim that before this Government enters upon new obligations to which the country has in no way been committed, the solemn promise which was made by this Government should be carried out. My hon. friend the Minister of Marine and Fisheries has received representations that a road running through a very important section of the province, and serving, as it would if it were in good order, a very excellent farming and lumbering country which is fairly well settled, is likely to be closed down because the Board of Railway Commissioners have ordered repairs to

be made to it which the company is not in a financial position to make. They have made strong protests to my hon. friend the Minister of Marine and Fisheries, and what does he tell them? He tells them that the Government can do nothing while the war is on, but that after the war is over the road will probably be taken over by the Government and operated as a part of the government railway system. That is the story which is being told to the people of my province—to the people in the south, to the people on the north shore, and to the people in the county of Albert, all of whom are interested in seeing that faith is kept by the Government of the day to the people of that province. The story is sent out to those people by the Minister of Marine and Fisheries that they can hope for nothing while the war is on, because the Government has no money to enable them to carry out their promises as far as these branch railways are concerned. I do not know how the rest of the people of this country may feel as to assuming this enormous obligation in connection with the Canadian Northern railway, but I know that the people of the province of New Brunswick will feel that if the Government has no money for the small matters connected with the improvement of the railway system of that province, it ought not to assume this enormous obligation in connection with the taking over of this road, the effect of which will be to strain the credit of this country to the utmost.

Let me ask a question which I asked the other day, when I had the opportunity of speaking before the committee on this Bill. Does my hon. friend think that as Minister of Finance of this country he ought to consent to the carrying through of this measure at the present time? Does he think he ought to do so? He knows what it involves. He knows the possibility of the enormous liabilty which may be brought upon the people of this country. He knows that to-day he is paying for the last loan which he obtained for the people of Canada in the vicinity of eight per cent. Think of it, Mr. Chairman. The government of a country so prosperous as Canada, possessing the enormous resources which this country has, is obliged to-day to go into the money markets of the world and pay the enormous sum of eight per cent for the money which it requires to carry on the services of the country. The last loan, which was for the short period of two years, netted, according to the statement of my hon. friend, less than $996,000,000. The information that I have is that it netted less than that. But if you put it at $96,000,000, there is a loss of $4,000,000 which has to be paid at the end of two years, and adding that to the six per cent interest which the bonds bear, we get the enormous rate of almost eight per cent for the money which the Government has borrowed through the arrangement with Morgan and Company, of New York.

Yet in face of that the Government moves merrily on, just as if its credit would never come to an end, and just as if the people of this country would tolerate paying 8 per cent to-day, and possibly 9 per cent or 10 per cent within the next six months—the Government goes merrily on incurring these enormous expenditures, and involving the country in those enormous obligations, and the minister gives the people the soothing consolation that they are entering upon a great movement for government ownership, and what they pay, whether it is $10.000,000 or $600,000,000, is merely a secondary consideration. Well, I congratulate my hon. friend that he is able—if he is able—to think that he will console the people of this country by a consideration of that kind. I think the people will feel they are paying pretty dearly for government ownership, particularly at this time when there is no necessity for it, when the railway company has not asked for it, when the necessities of the country do not require it and when the country needs all its money and all its credit to enable it to discharge its duty towards the Empire in the great world war in which it is engaged.

Sir THOMAS WHITE: Section 1, which was described by my hon. friend from St. John as the main section of this Bill has been allowed to stand, and we are now on section 2, which simply provides for the transfer of the shares to the Minister of Finance in trust for His Majesty upon the making of the agreement referred to in section 1. I have listened to my hon. friend from St. John, who has gone over for the fifth or sixth time the arguments he advanced upon the second reading of the Bill. My hon. friend referred to the closure. I may say to him that it was current information before the Government brought down this measure at all, that no matter what measure we brought down in connection with the Canadian Northern Railway company there would be obstruction so as to force closure, so that I do not feel that my hon. friend's indignation is more than simulated. His thunder was stage thunder, and

his heroics were mock heroics. It has been his policy and the policy of many others to compel the Government to resort to closure upon this Bill. That was well known in advance of our bringing down this legislation; and therefore, we need not pretend to ourselves that there is any earnestness on the part of my hon. friend in this matter. I beg to move:

That the further consideration of clause 2 be postponed and that clause 3 be now considered.

Motion carried on same division.

On section 3—After transfer Canadian Northern Railway company may be assisted:

Sir THOMAS WHITE: I gave notice of an amendment to this section, and I now beg to move:

That subclause 1 of clause 3 of the Bill be amended by striking out all the words in the said subclause after the word "Fund" in line 4, page 2, and substituting therefor the following: "Provided however that until authorized by Parliament, the total of such advances shall not exceed the sum of $25,000,000; a statement of any such advances showing in detail the purposes for which they were applied shall be presented to Parliament by the Minister of Finance within 20 days after the opening of the next ensuing session thereof."

Mr. MURPHY: May I ask the minister if the terms of this amendment are similar to those of which he gave notice a short time ago?

Sir THOMAS WHITE: Precisely.

Mr. MACDONALD: It will be noticed that the effect of the amendment of the Minister of Finance is anticipatory of the expenditure which was found by the commission would be necessary within the next five years, this they estimated at $70,000,000. My hon. friend is evidently taking an instalment of it. I think it is most desirable for the information of the House and of the country that we should know while we are considering this section exactly the indebtedness the country is assuming as a result of this measure. I have prepared a statement, which I think will be found accurate, based upon the financial statements brought before the House. The statement is as follows:

Amount of indebtedness placed on Canada by Government taking over Canadian Northern railway:

Bonded indebtedness	$359,931,635 64
Equipment bonds	14,846,500 00
Income convertible debenture stock	25,000,000 00
Loans and liabilities	112.723,035 00
Equipment expenditures	40,000,000 00
Additions and betterments	$30,000,000 00
Interest on equipment bonds	645,778 75
Arbitrators award	60,000,000 00
Cost of arbitrators	100,000 00
Payment by Government to recoup banks	10,000,000 00
	$653,246,949 39

The loans and liabilities are indicated at page 8 of the financial statement. The $40,000,000 and the $30,000,000 are to be found at page 40 of the Drayton-Acworth report, and represent the necessary expenditure for putting the road in proper shape and maintaining it during the next five years. The item of interest on equipment bonds is not included on page 8 of the financial statement.

Then we come to what would be the estimated amount to be awarded by the arbitrators. My hon. friend the Minister of Finance, in the various discussions upon this question has made it clear that it is conceded by the Government that not merely the present but the prospective value of the road, to a certain extent, and what it would cost to reproduce it, must be taken into consideration by the arbitrators. The Minister of Finance has, in the course of the discussion, made a case that will give to the gentlemen who act as counsel for the present holders of the stock some very important items for their brief. I have no doubt that as a result of the indications that have been given by the hon. gentleman, and the estimates that have been made as to the amount that the arbitrators may award to the holders as being the market value of their stock, the award will amount to $60,000,000. Then we have the cost of the arbitration which my hon. friends are providing for, is one which may be protracted in its nature, which will involve the employment of counsel of the very highest standing, to whom large fees will be paid, and the employment of experts from all over the country. I venture to suggest that Sir William Meredith will expect to be paid as much as he was in the Meredith-Duff commission and he was paid a very handsome sum for his work in that matter. The Government will have to pay the costs and expenses of this arbitration. Having regard to the amount involved and the extent of the legislation I think we are justified in placing the cost at not less than $100,000. This item, as a consequence of this legislation, is a very serious one indeed. Then we have the payments that have been made by the banks for the June,

July and August interest as it became due. My right hon. friend the Prime Minister the other day told us that the banks have protected the interest payments for this year as they fell due. It is difficult to ascertain what the total amount of these payments is because the Minister of Finance is going to apply the closure to this measure without giving to the House or the committee information of the most necessary character and which the House and the country are entitled to. Notwithstanding the fact that on repeated occasions, by reason of the Minister of Finance having included in section 1 of this Bill, a provision that the pledgees of this stock would be satisfied, the minister has refused to give to the committee a statement as to the amount of money that the stock is pledged for, or where it was pledged, or any of the information which any Government is entitled to give to the committee or the House with reference to a measure of this importance. I have to make an estimate in view of the past payments, of which we have had evidence, and without the information that the minister could give us, and I estimate that these payments amount to $10,000,000. As a result of this computation, I submit to the Finance Minister that, as a result of this legislation, this country becomes saddled immediately we pass this measure with an additional burden of debt of $653,243,949.39. As a result of this legislation, in regard to which, for the first time in the history of Canada when dealing with an important financial problem, the necessary information has been refused to the House to enable it to give full consideration to the measure; in war time when taxation is being applied on every hand for the purpose ostensibly of getting money with which to pay for the war; these hon. gentlemen ruch recklessly into an expenditure which imposes upon the credit of Canada this enormous liability of $653,000,000 and upon which Canada will have to pay interest for all time. What is the result of the action of the Government in regard to the financial position of this country? It is shown by the following statement:

The Debt of Canada.

Gross debt	$1,542,000,000
Capital expenditure—	
Main estimates	21,113,550
Supplementary estimates	32,180,542
Canadian Northern obligations	653,243,949
	$2,248,538,041

So that, without taking into consideration a single dollar of the additional liability that is being imposed upon Canada every day as a result of the war measure, the effect of this measure of the Minister of Finance is that the debt of Canada will be, with respect to these matters alone, at the conclusion of this year, the enormous sum of $2,248,538,041. It is all very well to talk about the glorious principles of government ownership and about the asset that Canada has, but when we find that after fifty years of Confederation, the Finance Minister of this country has to go to our neighbours to the south of us to borrow $100,000,000 for two years, when he has to pay the interest which he has to pay and has paid and has to float a loan at the figures at which he has floated it, as disclosed this afternoon, it will be seen by everybody that this hon. gentleman's management of the finances of this country has been anything but satisfactory. When my hon. friend goes again to J. P. Morgan & Company and the financial people of the United States, and when they learn that as a result of his management of the financial affairs of this country the debt of Canada has reached $2,250,000,000, they will hesitate to comply with his request for further assistance and the people will begin to realize where this Government and its policies has led them. I venture to say that if the policy of these gentlemen be maintained for any period of time under existing conditions this country will be obliged to face repudiation of its interest under the management of hon. gentlemen opposite. That may be a fantastic theory that we do not want to discuss, but here at one fell swoop double the debt that Canada has contracted since Confederation is being added by this measure. Hon. gentlemen decline to give us information, refuse to tell us who is to get the money, refuse to tell us how much the stock is pledged for, who are the pledgees, and, in short, they decline all reasonable requests, apply the gag and the closure and place upon Canada a liability of $653,000,000, under these conditions, saddling this country with a liability for all time to come and creating a debt of $2,250,000,000. Hon. gentlemen are welcome to the record. The people will come before very long to realize the financial position in which Canada has been placed by the reckless disregard for the last two years by hon. gentlemen opposite of all those considerations which ought to weigh in regard to maintaining the financial prestige of this country.

Mr. MARCILE (Bagot) (translation): Mr. Chairman, representing a truly rural county whose inhabitants must work hard in order to earn a living and must exert themselves unceasingly to support their families, I deem it my duty to rise in this House and to protest against the transaction now offered by the Government.

Mr. Chairman, we are on section 3 of the Bill which provides that we shall take the remaining five sixths of the stock of the Canadian Northern company, amounting to sixty million dollars.

Let me tell you, Sir, that this sum appears enormous to me and that I consider this a suspicious transaction, because so far we have not been able to ascertain to whom we shall pay these sixty, fifty or twenty five million dollars, nor who are the holders of that stock and why it is so held.

If the information we have got be correct, we are inclined to believe that this amount of Canadian Northern stock is in the hands of friends of the Government among whom is found a gentleman whose position upon a certain question has changed because he has had the promise that he would receive the par value of the stock he holds.

Now, Mr. Chairman, before section 3 is passed, it might be advisable to consider a while the situation of the Canadian Northern company, in order to know how that company originated, how it was managed and how it is that the remaining stock, the balance of those hundred millions, divided amongst the friends of the Government and of Mackenzie and Mann, must now be sold to the Government so that the company may come out of their financial tangles.

Originally, the Mackenzie and Mann partnership bought up a company which was called the Canadian Northern. This company has been subsidized by every provincial government—the Quebec government excepted—and by the federal government to the enormous extent of a hundred odd million dollars. They have been granted by the several municipalities in this country—save those in the province of Quebec—as a help, an amount of subsidies exceeding a hundred million dollars. The Canadian Northern company from the date of its organization has been granted enough subsidies to build its whole line from one end to the other, and let me tell you that notwithstanding the subsidies received the line has not yet been completed and the sum required in order to finish the Canadian Northern transcontinental road is accounted at several million dollars.

Now, Mr. Chairman, in our present financial conditions is it in the interest of this country to acquire the stock belonging to the Canadian Northern, that is, the sixty million dollars remaining? Are we in such a financial position that we can get hold of so considerable an amount of stock, specially when the royal commission appointed by the present Government has shown that the stock held by the Canadian Northern or Mackenzie and Mann is utterly worthless, and above all after having taken into consideration the Act passed by the present Government in 1914, by which the Government is not only authorized but fully empowered in virtue of a mutual agreement between the Canadian Northern company represented by Mackenzie and Mann and the present Government, to take hold of all the remaining stock in the hands of Mackenzie and Mann without paying a single farthing should the company default.

When a country has to ask its neighbour a loan of money and to pay such a high rate of interest as eight per cent, I say the time has come when the Government which preside over the destinies of that country should ponder over it again before carrying their schemes any further.

In our present condition, in war time, when we are spending a million dollars a day, when we must pay large amounts to the widows and orphans of our soldiers who fell at the front and pensions to the returned soldiers who were wounded on the battle fields, our disbursements are and shall be heavy as long as the war will last.

We must provide, as I have just said, for the pensions and also for the requirements of the country. At this moment we are neglecting all kinds of improvements on account of the war. How many useful schemes have been discussed in this House for several years—for instance, the opening of the Georgian Bay canal which would so greatly benefit the handling of the western grain and the transportation of produce between the east and the west—we are neglecting that undertaking, we cannot even start it and naturally our country is deprived of the benefits which would accrue from the opening of that canal. Once more, we overlook all this on account of the lack of money due to the war, but that does not prevent the Government from caring very little for the interests of the people, and from being ready to take hold of millions of dollars to hand them to people who are not entitled to them, if we refer to section 24 of the Act passed in 1914, chapter 20 of the Statutes of Canada.

Now, Mr. Chairman, it is idle to think that the people give their approval to such a transaction. From the Prime Minister

down, the hon. members on the other side of the House know very well that the people who pay, who earn their living by the sweat of their brow, blame the transaction now under review, and I am sure that at the proper time the Government will notice that the present transaction is denied by the whole country, but it will be too late.

With your consent, Sir, I shall refer to section 24 I have just mentioned which provides that in case the company should not meet its engagements the Government reserve to themselves the right of securing the remaining stock which did not belong to them. I shall read the controverted section:

> If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary nothwithstanding.

Now, Mr. Chairman, has the Canadian Northern really defaulted? I say yes and our friends on the other side are also of that opinion since they present this Bill in order to seek authority from Parliament to secure the balance of the stock. As to that there is no disagreement between us; the difference of opinion consists in their maintaining that the Government must pay an optional amount for the balance of that stock, while we assert that they are bound and entitled to get hold of it without any outlay, even if it be in the hand of Mackenzie and Mann.

When we passed the agreement of 1914, we thought the Government was in earnest; we allowed it to pass believing that in case the Canadian Northern should default the road would come under section 24 of the Act and the Government would take hold of the balance of the stock which is ours by that very Act and for which Mackenzie and Mann are not entitled to receive a single cent.

Now, Mr. Chairman, I shall ask the hon. members of the Government and their supporters whether or not they have pondered over their present attitude; I could also ask them whether or not they really believe they are serving the interests of their constituents by voting for such an iniquitous measure as the one we are now considering, that is, by taking the people's money, which is not theirs any more than it is ours, and handing it over to Mackenzie and Mann. It might not be out of place to recall here the answer given for the Government by the hon. Solicitor General when we were discussing the legislation of 1914. Here is what I find among other things at page 3858 of the Hansard of that year:

> The railway policy of the right hon. leader of the Opposition has another characteristic feature. Under the present Bill we have a summary method of taking over the road, a summary method which in effect gives us as security the other sixty per cent of stock.
>
> We know we have the ordinary right which any mortgagee has, and the right which any guarantor of a mortgage has, the right by subrogation of getting into the shoes of the lender and in the event of default exercising the rights of a mortgagee and taking possession of the road as a receiver; we know we have that right, but we have the additional summary remedy of proceeding by mere Act of Parliament to take over the road as the property of the people of this country and eliminate once and for all, all other parties interested in that railway. And we have not only so arranged it that the interests of the Canadian Northern and all other persons whatsoever in the Canadian Northern system shall be eliminated, and that in the event of default all shall be the property of the Canadian people, but furthermore, the ten million dollars of stock in the townsite and the ten million dollars bonds are put into hotchpotch, although they are the property of Mackenzie and Mann, and although Mackenzie and Mann alone made investment in them, and in the event of our foreclosing and taking over the enterprise we ourselves get the whole benefit of the townsite. That summary method is given us.

Now, Mr. Chairman, here we have the Solicitor General (Mr. Meighen), one of the most distinguished lawyers of this country, who states clearly and formally that in case of default by the company, the Government have the right of a mortgagee, that they have the right to provide all the necessary safeguards for taking over all the property of Mackenzie and Mann or of the Canadian Northern Railway company, and not only that property, but it says moreover that in spite of all the cautions we have taken in connection with various railway companies, we shall take possession of $10,000,000 worth of property belonging to Mackenzie and Mann, townsites, etc., etc.

To-day by this Bill we are asked to acquire from Mackenzie and Mann the balance of the $100,000,000 of stock and the Government says: "We will appoint a board of arbitration and we will abide by their decision." But, Mr. Chairman, if the arbitrators that are to be chosen decide that the value of the stock is the same as it was in 1914, and if we are compelled to pay on the same basis as when we had to lend

$45,000,000 in order to acquire $40,000,000 of the stock of the Canadian Northern railway, in what financial situation shall we find ourselves involved?

Did you ever hear, Mr. Chairman, of a lender giving $5,000,000 more than the value of his security? If you had any money to lend, Mr. Speaker, even on a first mortgage, would you lend a sum in excess of the value of the property, and would you advance even the full value of the property pledged as security? Is there a single lender in the world who would advance money to the extent of the actual value of the property? No not a single one, Sir. Generally, the amount of the loan never exceeds 50 per cent of the estimated value. But in 1914 we advanced to the Canadian Northern Railway company $45,000,000, and all the security we got was $40,000,000 of stock.

Should the arbitrators who are to be appointed by the Government take that loan of 1914 as a basis for the valuation of the stock, we should have to pay from 75 to 80 million dollars to Mackenzie and Mann, for the balance of the stock which they have on hand, and we would find ourselves in a fine mess, besides all the other liabilities we should have to assume later on.

As already stated by the hon. member for Pictou (Mr. Macdonald) we shall have to assume liabilities of over $600,000,000. One can fancy the financial straits in which the country will find itself, not only after the war, but immediately after this transaction, when once we have advanced the required amount for the balance of that stock; when once we have been saddled with all the other outstanding liabilities of the Canadian Northern Railway company; when we have to spend millions of dollars to complete the system and to meet all the obligations imposed upon us by the war, in which we are taking part. I say, Sir, that the ratepayers of this country will never be able to pay the interest on the public debt. I am speaking only of the present time, but what will be our position after the war, when we shall have to face expenses about which we know nothing as yet, and which we are incurring during the war? What about our expenditure for munitions and the maintenance of our forces in England and in France, which are now being paid by the Imperial Government, but which after the war will have to be settled by this country and will amount to many millions of dollars? What will be our financial situation then?

Mr. Chairman, I wonder what the Minister of Finance, the Prime Minister and the other members of the Government mean by launching the country at a time like this, into such a tremendous undertaking when the country is already saddled with such heavy expenditures.

Mr. Speaker, let me repeat here what the hon. member for South Renfrew stated before this House on the 7th instant, as reported at page 4501 of unrevised Hansard:

> Roughly speaking we are entering upon a scheme of purchase, the value of which we do not know yet, with a liability for completion the figures for which we ought to have in our hands, with a further liability for betterment the amount of which we ought to know, and with a still further necessary liability for rolling stock and motive power. These things we must know before we can tell just how far we are going, or what investment we intend to make in this great project of public ownership.

I am not a believer, Sir, in public ownership. We are already in charge of the Intercolonial and we have enough of it; we are tired and sick of it. If we were to take charge of a new transcontinental railway, administered by the Government, it would spell disaster to the country. It could not be otherwise, because a railway cannot be successfully administered, financially, by a Government, more especially by such a Government as we have to-day.

Before this section 3 is agreed to, I should like to make a few remarks concerning the extraordinary measures resorted to by the Government to put this Bill through the House. The proposal must be an exceedingly bad one, or it must have more than an ordinary interest for the Minister of Finance or some of his friends in this House or outside of it, to induce him to adopt such drastic proceedings in order to secure the passing of the Bill. Once before we had to submit to closure. That was about four years ago and then as to-day it was brought into operation in order to secure the passing of a measure detrimental to the best interests of the people of this country. On that occasion the Government had to apply the closure——

Some hon. MEMBERS: The gag.

Mr. MARCILE: On that occasion the Government had also to gag the representatives of the people in order to impose upon the country a policy repudiated by the large majority of the people. Nevertheless, there is some comfort in the knowledge that to-morrow loud protests will be heard from all parts of the country and that in a few hours, when the Minister of Finance goes home he will spend a sleepless night, racked by pangs of remorse over his doings of to-night and at the thought that to-morrow he

will have to finish his unpalatable task; that is to say to apply the closure with all its drastic features, so that the voice of the representatives of the people may be stifled and that this iniquitous legislation may be put through.

Before many days, Mr. Chairman, you will hear loud protests from all parts of the country. They have been heard already. The Minister of Finance knows that the great capitalists of Montreal, joined by those of Toronto, who have no personal interest in this transaction, have strongly protested. But that is only the beginning; mightier protests will follow from the Atlantic to the Pacific.

Upon the Government rests the whole responsibility for this policy. We will not have anything to do with it. As far as we have been allowed to discuss the measure, we have tried to open the eyes of the Government to the dangers of the road we are travelling over; since this debate is on, we have endeavoured to convince them that they are taking a wrong step, that they are not protecting the interests of the people and that they are imposing new burdens upon the already overtaxed ratepayers of this country. But, what does the Government care about that, if by so doing they can extend their protection to those who have a finger in the pie? What we are witnessing to-night recalls to my mind a promise made by the Prime Minister after the election of 1911, when he said that hereafter the voice of Toronto would be heard and listened to in the administration of public affairs and the legislation of the country.

In the present case, the voice of Toronto has been heard, but we will soon hear a still mightier voice, the voice of the people. At no distant date, I hope the Prime Minister and his colleagues will invite the electorate to pass sentence upon the policy they are now submitting to the House. When that time comes, the voice of Toronto will not be the only one to be heard, and the people will have a chance to express their opinion at the polls. The electors have been waiting for that occasion since 1911; they will take their revenge on the Government and send back the Prime Minister and his supporters into the cold shades of the opposition from which they should never have emerged, thus putting an end to the iniquities perpetrated since 1911.

Sir THOMAS WHITE and Mr. GAUTHIER having risen to address the Chair:

Mr. PUGSLEY: The hon. member for St. Hyacinthe (Mr. Gauthier) has the floor.

Sir THOMAS WHITE: I gave way to two hon. members. I should like to say that I do not like to take any advantage.

Mr. PUGSLEY: The minister is going to stop discussion on the section. He should not do that when the hon. member for St. Hyacinthe has the floor and I will appeal to the Chair. There is a limit beyond which he cannot go.

An hon. MEMBER: He is afraid of it.

Mr. GAUTHIER: I do not want to impose my speech on the Minister of Finance if he does not want to hear me.

Mr. ETHIER: He is afraid of you.

Sir THOMAS WHITE: The hon. member will not be debarred from speaking if I have the floor, because he can speak on section 4 or he can speak to-morrow. I have given way to two speakers. We are on closure procedure. Who has the floor?

Mr. PUGSLEY: Mr. Chairman, the hon. member for St. Hyacinthe has the floor.

Some hon. MEMBERS: Order.

Mr. PUGSLEY: No Chairman has a right to turn his eyes from a member who has the Floor.

Some hon. MEMBERS: Order.

Mr. PUGSLEY: I want to say—

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Order.

Mr. PUGSLEY: No one with any idea of parliamentary rules would have the indecency to do it.

Some hon. MEMBERS: Order.

Mr. PUGSLEY: I appeal to the members here if the hon. member for St. Hyacinthe (Mr. Gauthier) had not the floor first. I, as one member of the House, protest. You have no right to do it. It is tyranny.

Some hon. MEMBERS: Shame.

Mr. PUGSLEY: You should be ashamed to do it. You had no right at all.

Some hon. MEMBERS: Shame.

Mr. PUGSLEY: I see that the Chairman desires to explain. We will allow him to do so.

Sir ROBERT BORDEN: Sit down.

An hon. MEMBER: Call in the police.

Mr. PUGSLEY: Call in the police as quickly as you like.

Mr. LEMIEUX: Call in Mackenzie and Mann. Call in Sir Clifford Sifton.

The CHAIRMAN: The rule provides—

Mr. LEMIEUX: I notified you, Mr. Chairman, that Mr. Gauthier wanted to speak before the minister.

The CHAIRMAN:—the rule says that the first hon. gentleman who catches the eye of the chairman should have the floor. I was noticing both hon. gentlemen because I knew that they wanted to speak. The hon. minister got up first.

Mr. PUGSLEY: No.

Mr. LEMIEUX: No.

The CHAIRMAN: He was the first who caught my eye.

Mr. LEMIEUX: And you were notified that Mr. Gauthier wanted to speak, and you knew it.

Mr. CHAIRMAN: I had no business to take such notification, and I declare that the Finance Minister caught my eye first and he has the floor.

Some hon. MEMBERS: Shame.

The CHAIRMAN: Order.

Sir THOMAS WHITE: I think that, under the rule, the chairman should, if possible, see hon. gentlemen on either side of the House alternately. There have been two speches on the other side of the House—

Mr. PUGSLEY: But your intention is to close discussion.

Sir THOMAS WHITE: I gave way to the last hon. gentleman who spoke and no harm can result from my rising now because the hon. member can speak on section 4, or he can speak to-morrow. I have no desire to close off the addresses of hon. gentlemen, but we must advance the Bill. I beg to move:

That the further consideration of clause 3 and the amendment be postponed and clause 4 be taken up.

Mr. L. A. LAPOINTE: That is just what we were afraid of. That is the trick that was played on us.

Mr. PUGSLEY: There is a motion before the Chair now that must be withdrawn before this can be considered. The member for St. Hyacinthe (Mr. Gauthier) has a perfect right to speak.

The CHAIRMAN: It is moved by Sir Thomas White that the further consideration of section 3 with the amendment be postponed.

Some hon. MEMBERS: Read it in French.

Motion read in French.

Mr. OLIVER: May I ask a question? If the rule which you intend to invoke applies to the consideration of an amendment, then I do not read that in the rule and I would like to know where I shall find it.

Sir THOMAS WHITE: It applies to the whole section with the amendment.

Some hon. MEMBERS: Question.

The CHAIRMAN: The amendment being moved forms part of the section.

Mr. PUGSLEY: The amendment is not carried yet.

The CHAIRMAN: It is not to be carried now, it is to be postponed. Is it the pleasure of the committee to adopt the motion?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Carried.

Mr. PUGSLEY: I desire to speak briefly to a point of order. There is always discussion on a point of order.

Some hon. MEMBERS: Question.

Mr. PUGSLEY: That is perfectly absurd. We might as well go home if we are to have no—

An hon. MEMBER: We had better go home.

Mr. PUGSLEY: I know hon. gentlemen think that, and the hon. gentlemen themselves are non-combatants. They might as well go home; in fact better. They would support whatever the Government proposed. It is difficult to know what they are here for at all. They might better be at home harvesting their crops.

Sir ROBERT BORDEN: That is not a point of order.

Mr. PUGSLEY: The point of order is this: The ruling is that the motion that the section stand is to be determined without debate. I think that is straining the rule a good deal. Before the committee now is an amendment moved by the Minister of Finance. Surely hon. gentlemen have a right to speak to that amendment. How absurd it would be; what a gross injustice it would be, that you should rule that further consideration of an amendment moved to-night for the first time, upon which only one hon. gentleman has been allowed to

speak, should be postponed—an amendment proposed without any notice, without opportunity being given to the committee to discuss it. It seems to me to be clear that the amendment can be discussed. The member for St. Hyacinthe should be permitted to speak to that amendment, if the proceedings are to be carried on with any degree of fair play. There is no desire on the part of hon. gentlemen on this side to prolong the discussion; we have not shown any desire to do that. To-day as much time was taken up by the Minister of Finance and by gentlemen on the other side as by gentlemen on this side. Let us have a fair discussion. The member for St. Hyacinthe surely ought to be permitted to speak to the amendment.

Some hon. MEMBERS: Question.

Mr. L. J. GAUTHIER (St. Hyacinthe): Mr. Chairman, am I to understand that you do not allow me to speak even on this question which is now before the House?

Mr. RAINVILLE: I do not refuse a reply to the hon. member for St. Hyacinthe, but there is a motion before the House, and I simply desire to read this motion:

"It is proposed by Sir Thomas White, that further consideration of section 3 with the amendments be delayed."

Mr. GAUTHIER: Have I not the right to address the House on this question?

Motion, (Sir Thomas White) declared carried: yeas 38, nays 22.

On section 4—appointment of arbitrators.

Mr. GAUTHIER: Mr. Chairman—

Sir THOMAS WHITE: I desire to move the amendment that I gave notice of the other day.

Some hon. MEMBERS: Order.

Mr. GAUTHIER: Mr. Chairman—

The CHAIRMAN: The amendment is before the committee.

Mr. PUGSLEY: The member for St. Hyacinthe has the floor.

Mr. GAUTHIER: The Finance Minister has just said that I would have an opportunity of addressing the committee on the section as it stands; now he wants to move an amendment. That is the kind of fair play we are getting from the hon. gentleman.

Some hon. MEMBERS: Order.

Mr. GAUTHIER (translation): Mr. Chairman, I would like to discuss with you, if you please, the question as I understand it. The Government have decided——

Some hon. MEMBERS: Question.

Mr. GAUTHIER: I am speaking to the question; if you do not understand, it is not my fault——

(Translation) The point I raise, Mr. Chairman, is a point—as for you, you can understand me, if there are some on the other side of this House who don't. I admit that in your capacity of Chairman, you look at those you please, but you must listen to those who speak, when they have the floor. The Government want to impose closure upon a Bill which has been laid before the House and which every one has taken cognizance of. And now at this sitting of the House, the hon. Minister of Finance, who is personally in charge of his own Bill, proposes, at this very same sitting an amendment which he prevents us from discussing. Is it fair that he should prevent us from discussing his amendment with the clause thus amended, to impose closure upon an amendment which has just been laid before the House? That is the question I raise. In the first place nobody previously heard of it. The Minister of Finance cannot pretend that we have discussed his amendment for too long a while, for he has just laid it before the House. Is there any obstruction as to this amendment? I say not. If there is any obstruction, what would you decide, in your capacity as Chairman, as to the amendment proposed by the Minister who is in charge of the Bill itself? I would like to have your decision on that point. If you absolutely mean to prevent me from speaking, there is still section 4 which we will discuss.

Mr. RAINVILLE (translation): In reply to the hon. member for St. Hyacinthe, I must say that the two amendments are laid before the House and in the Chairman's hands, and I see that the hon. member knew that, since he spoke of it a few moments ago.

Mr. GAUTHIER (translation): It has just been submitted.

Mr. RAINVILLE (translation): Both have been laid here since Friday last, they were annexed to the Bill.

Mr. MARTIN (St. Mary's) (translation): This ought to be debatable it seems to me.

Mr. RAINVILLE (translation): As to the point of order raised by the hon. member for St. Hyacinthe, I may tell him that these amendments are before the House since Friday last.

Mr. GAUTHIER (translation): Has he not moved them to-night?

Mr. MARCILE (Bagot) (translation): I should point out that to-night the Bill I now have before me has been sent to me and that it contains no amendments.

Mr. RAINVILLE (translation): They are in Friday's Hansard.

Mr. GAUTHIER (translation): When we ask for a copy of the Bill and the employees of the House bring us the Bill without amendments, what should we think?

The Chairman (Mr. Rainville) read Sir Thomas White's amendment in English.

Several MEMBERS: In French.

Mr. RAINVILLE (translation): It is moved by Sir Thomas White that the consideration of clause 3, with the amendments, be postponed just now.

Mr. GAUTHIER (translation): Mr. Chairman, is there an amendment, yes or no?

Mr. RAINVILLE (translation): Certainly, there is an amendment before me, before the Chairman, since last Friday.

Mr. MARTIN (translation): Be fair, Mr. Chairman.

Mr. GAUTHIER (translation): Do you give the precedence to the Minister of Finance or do I have the floor?

Mr. PUGSLEY: Who had the floor? What courtesy was shown to the hon. member for St. Hyacinthe (Mr. Gauthier)?

Some hon. MEMBERS: Go on.

Sir THOMAS WHITE: I just want to move this amendment of which I gave notice.

Some hon. MEMBERS: Who had the floor?

The CHAIRMAN: The hon. member for St. Hyacinthe had the floor.

Mr. GAUTHIER (St. Hyacinthe) (translation): Mr. Chairman, I see that we should not give up all hope for your change of heart since you come back at last to the ideas of justice which formerly were in you; but you will agree with me that it is pretty hard to get the right of speaking in this House, specially after the application of the closure rules which have been enacted by the Government since they are in power.

The performance the House is witnessing is exceedingly amusing; some laugh, and it is not because they consider it is funny, but because those surrounding them cannot follow a debate which does not take place in their own vernacular. I solicit the attention of the House, because to-morrow at the latest freedom of speech shall have been strangled by this Government and I should like to avail myself of the few remaining hours so as to discuss this section.

Never would it have occurred to any one of us that the members from Quebec, the only province that has not been caught in the feelers of that octopus which is called the Canadian Northern, would be gagged while attempting to protest on behalf for their constituents against the nefarious Bill now before the House. After all, Mr. Chairman, if the provinces of British Columbia, Alberta, Saskatchewan and Manitoba, as well as the great financiers in the city of Toronto, were caught in the claws of Mackenzie and Mann, while Quebec always stood aside cautiously, is it not fair that the very province of Quebec whose people will be called upon to pay their proper share of the indebtedness which the country is to be saddled with by this iniquitous legislation should be heard? It is fair that only those who lent their credit or their money should raise their voice? Would it be fair to turn a deaf ear to the recriminations of those who shall have to pay their quota of those liabilities and who would not be ensnared by the men who left no stone unturned in order to attempt—and who have succeeded in a measure—to bribe the municipal councils, the provinces and even the Parliament of Canada and who compassed their end where no institution could have done it? I have no grudge against you, Mr. Chairman; you are only discharging the duty that has been imposed upon you, and I might add that had you been annoying, we would not mind. We know your task is an unpleasant one, and naturally having been rewarded beforehand, you are bound to perform your work. However, it seems to me that we, on this side of the House, are entitled to the same measure of justice as our friends on the other side are entitled to. I see the walls of this hall covered with English flags, the emblems of justice and fair play. If we are going to be treated as there seems to be a disposition to treat us, would it not be better to take away those flags, instead of

having them hanging over our heads as a mockery?

The Bill before the House is a fit sequel to six years of maladministration, to six years of iniquitous legislation; the end befits the beginning; it tallies with the task and befits also those who have shaped the future of the country since October 1911. We have seen so far every kind of legislation more or less proper, every kind of breach of power and of faulty administration of public affairs; we have witnessed so far the Opposition availing itself of its right to criticise both the legislation and the administration; but the previous governments in power were at least courageous enough to allow free discussion and to refrain from gagging the Opposition. Henceforth, how would the representatives of the people be able to air their grievances with regard to this measure? We consider that this Bill is the most iniquitous piece of legislations which has ever been placed before the House; and yet, they are attempting to thwart freedom of speech and they would not let this section stand. I would like to state to the House the reasons why we oppose this legislation, hoping that at least some newspapers whose correspondents are still in the press gallery would make them known to the country. We are called upon to make sacrifices of all kinds; we have already recruited more than 420,000 men; we have given large sums of money; and hon. ministers tell us the Government are willing to give the last man and the last dollar in order to bring the war to a successful issue.

The Opposition never stood in the way. We have been threatened with bankruptcy. We are willing to accept our share of responsibility, even as to the financial bankruptcy of the country. To win the war, shall I be told that with such a war debt as has been piling up, with such a debt as we have been saddled with in the performance of our duty, as representatives of the whole nation, as members of Parliament; shall I be told that there is the least reason to bring up during the last days of a dying Parliament a measure which will put upon the shoulders of our people an indebtedness the end of which we might never see?

I would not like to weary the House by quoting figures, but I have always been told that the per capita debt of a nation was the surest test to ascertain its prosperity. Without going back into ancient history, I may say that when the Conservative party went out of office in 1896, our per capita debt was $47.50. It was generally considered then, that the time was ripe for a change, because we were on the threshold of bankruptcy. To-day, with the known public debt for civil government and war expenditure, with the additional capital expenditure to be incurred under this Bill, our liabilities will reach, in round numbers, the enormous amount of two billion and one hundred million dollars. If we can rely on statistics, with a population of about seven million, the per capita debt of every man, woman and child in Canada amounts to $300. If in 1896, the country was considered to be on the verge of bankruptcy with a per capita debt of $47.80, I ask you, Sir, where we stand to-day, with a per capita debt of $300. But I shall go further and say that if in order to maintain our participation in the war. we had been told that it was necessary to pile up the enormous debt of two billion one hundred million dollars, we on this side of the House would have willingly voted all the money that the Government might have asked for.

The Liberal party, through their leader and his most trusted lieutenants have pledged their whole support to the Government on all war measures and promised to vote all the money needed for the prosecution of the war to a successful issue, but we never agreed to support this Bill and we cannot do so, because it is a measure clearly intended to help Mackenzie and Mann the Canadian Northern Railway company and the big interests whose influence is felt to be behind this legislation. Sir, in spite of all the ability displayed by the Minister of Finance, in spite of his resourcefulness and his wide experience in handling all kinds of business and financial propositions, this House and the country realize that an occult power is holding the Government by the throat and will stop at nothing to put in our statutes the Bill now under discussion.

I will go further yet. I say that the Government who pretend to be ready to do every thing for the empire and for the war and that the ministers who, one after another, have stated in this House that they were willing to face bankruptcy, and to pull out the last rail and the last tie of our railways in order to win the war, I say that the Government in spite of all these loyal statements, are by this very Bill, draining the resources of the country at such a pace that we will be crippled to the point of being unable not only to recuperate after the war, but even to continue our participation in this struggle. The honourable gentlemen are continually talking about sacrifices, about contributions, about living a life of

privation. Who are those who are making sacrifices? Who are those who are giving contributions? Who are those who are living a life of self-denial? It is the common people.

With this legislation, you are going to raise the public debt to two billions one hundred million dollars, the interest on which will be over one hundred million dollars annually; moreover, you will have to pay pensions to soldiers' orphans, widows; in short you are piling up such a debt that the interest alone will absorb the larger part of the revenue of the country, and you will not be in a position to make, on behalf of Canada, the sacrifices that the honourable gentlemen on the other side are always talking about, that we, on this sid , are making, but which the hon. gentlemen opposite seem to ignore.

There are some people who believe that their mission in this world consists in lecturing others, but they do not feel themselves bound to put their preaching in practice. The Government are giving to-day a fine sample of their state of mind. After a summary discussion on the three first sections of the Bill, we are now on section 4 dealing with the appointment of arbitrators. The Government is trying to shift their responsibility in appointing a board of arbitration so that when that tribunal shall determine the value of the stock we are about to acquire, the Government may be committed beforehand to the policy they are bent upon, but on which they wont give us any information.

I agree that the Government commands a majority in this House; they can secure the passing of any Bill they choose to propose, but I deem it to be my duty in the name of the county I represent, in the name of the province I come from, to say once more that the Government is saddling that province with a new burden, without any useful purposes being attained, because we are in no way responsible for the present situation.

I say that the provincial governments, who have subsidized the Mackenzie and Mann concerns, are interested in having the central government redeem Mackenzie and Mann's debentures which they have themselves endorsed.

I say that the Toronto financiers are interested in being reimbursed the advances made to Mackenzie and Mann, and the Toronto financiers are interested as to the province of Quebec, as to Canada, even at the risk of bankruptcy, even at the risk of any future loan depreciation, should pass and endorse this legislation, but I may add that it is not the Toronto financiers who will pay whatever part of it that will be charged to us. I say that we have in no way contributed to the present state of affairs and that we have a right to be heard, closure or no closure, gag or no gag.

Mr. Chairman, I would not make any threat to the members of the Government. I know they are most sensitive and shiverish; but we have therein the germs of popular reclamations which have shaken powers more solidly seated than the present Government, I say that there may be some danger, when the people have been saddled with the burdens you have put upon their shoulders with a war object, with the idea of participation, so that our effort may come in and help England's effort, the effort of the Empire.

I say that it is not without some danger that, upon a people on the road to bankruptcy, the Government of this country may come and impose a debt which will amount to 650 millions of dollars and take over the totality of the shares in a company unable to pay its interests year after year. That company is compelled to make an appeal to the Government. The Government have made advances; the Government have assumed the responsibility; that responsibility, they have the credit for it, but I say that it could have been discussed and that it could have been assumed. However, I do not see any good reason for the Government to do so in these critical times, when the Minister of Finance was forced to go to the New York financial market to negotiate a loan for which Canada has to pay one and three quarter per cent for commission and brokerage charges.

The ratio is enormous from the standpoint of high finance, and it has been brought about as a consequence of obligations assumed by Canada in order to do what the country believed it her duty to do. Such obligations we have assumed, we are ready to endorse the responsibility, we are ready to bear the burden of the interest we shall pay, because the amount borrowed is necessary to the administering of our civil as well as of our military affairs; but what arguments can we give to our constituents if we should allow to pass without any protest, such an Act as this one? What reasons can we allege? Am I, Mr. Chairman, in such a position that I can go and say to the electors of St. Hyacinthe: I have allowed that measure to pass without any protest; it is true that you have in no way contributed to put Mackenzie and Mann in

the way of starting their construction and then leave it off unfinished; it is true that, in our county, we have never contributed at all to allow these gentlemen to grow rich, whilst all the companies they have created went into bankruptcy one after another; it is true that, in our province, we have in no way aided these gentlemen to grow rich, since all the companies they have organized went to the wall one after the other; but you must, nevertheless, bear your share of these liabilities. Am I in a position to say to the electors of St. Hyacinthe county that they must face this indebtedness because it is in the public interest? The only argument offered by the hon. Minister of Finance, to show that the Canadian Northern company must not go into the hands of a receiver, is that the financial credit of Canada would be destroyed, if the actual value of this enterprise should be exposed. Are you going to tell me that the credit of Canada will be imperilled by allowing to go into the hands of a receiver enterprises beyond the energy, the capacity, the comprehension and the credit of their promoters? We are told that, during the present crisis we are experiencing, in the midst of the present war, we have not the right to injure in any way our national credit. But what a knock out blow, would not the Government strike at our credit by saddling our people with a debt of $650,000,000 for a railroad that does not pay its running expenses and which cannot do so for some years to come? Would Canada's credit be jeopardized by allowing this company to be absorbed by another company, rather than having us assume the burden ourselves? I say no. The hon. Minister of Finance told us himself, in one of his recent speeches, in this House, that there were only two corporations that could absorb the Canadian Northern; the Canadian Pacific or the Government of Canada; but as the Canadian Pacific might perhaps feel like absorbing it, we should rather absorb it ourselves. What business man would, for a moment, seriously discuss such a proposal? I put aside all the data and all the opinions which are given us from more or less authorized sources, and I only take up the main fact and our situation just as it is. I put the question, what business man in this country who, being in the position of this Government and facing such a desperate condition as that of the Canadian Northern and of Messrs. Mackenzie and Mann, and who would have the chance of seeing it absorbed by such a powerful corporation as the Canadian Pacific, would not let it go at that, instead of the Government taking up the burden rather than let it pass into the hands of another corporation; and would rather assume the liabilities under the pretence that it is needed as a 'feeder' for the Grand Trunk Pacific and the Transcontinental?

I have always understood that, so far as good finance goes, a man should never undertake anything beyond his means or his capacities. Is the Government, to-day, in such a condition as to venture into operating this railway?

I deeply regret that I am unable to discuss this question in the language understood by the hon. Minister of Finance and by the hon. Solicitor General, not that I have the pretension of either convincing or converting them; but they might understand, at least, that it is not partisanship that prompts me to raise objections against this measure, but that I am making these remarks merely and only from the standpoint of public interest.

What! Mr. Chairman, such a transaction is proposed when the Government, in order to continue their contributions to the war, to maintain their civil administration, cannot attend to it with their revenue, cannot even do so with the taxation although it be very heavy, almost distressing for a portion of the people, when the Government are unable to meet the exigencies of the conditions without having recourse to foreign aid? The Government of this country have just floated a loan of 100 million dollars, at the exorbitant and usurious rate of 8 per cent, and in the face of such a situation, the Government still venture to come before this Parliament and the country at large and say that, in spite of all the difficulties we run across, in spite of our contribution to the war, the Government, do I say are bold enough to say: We have decided upon putting an extra debt of $650,000,000 upon the people's shoulders, because the advances assented to by the different provinces, by the municipal boards, by the debenture holders, in order to have this railroad completed, are in peril all those interested parties ask us, the Government of Canada, to intervene in order to save the situation.

The Government of Canada have guaranteed some debentures; there is only one thing to do; if the first debtors are unable to pay, the Government will be in the position of an endorser who has endorsed a note bona-fide, expecting the promisor would meet his obligations. If the latter cannot do so, the endorser must pay, because he has accepted the promisor's debt. Every one admits, without however being

so sharp in financial affairs as may be the hon. Minister of Finance, that, if the Canadian Northern should pass into the hands of a receiver, it would be taken at its actual value by whatever company absorbs it. Now, will the Canadian Government absorb the Canadian Northern at its actual value?

The Government may say yes, but every one entertains a doubt about it. Should not this doubt be cleared up? Should we not have a formal statement in order to reassure public opinion? I will go further than any other member on this side of the House into the discussion of that transaction—useless to say that I am now speaking in my own name—in the face of the present conditions, when we are asked to purchase 9,500 miles of railroad subsidized by the provincial governments, by the federal government and by the municipal councils, it means to me that the Government should do everything in their power in order to reassure public opinion which has been stirred up.

Do not play with edged tools. In your administration, as well as in your legislation, you should show as much prudence as any business man should use, especially the prudence of a business man, for in a critical period as the one we are now going through, he is obliged on account of the position he holds, to reassure the public opinion which is stirred up.

It is a very easy thing to say to the Montreal financiers, for instance, who are protesting against this deal, it is most easy to tell them as the Solicitor General has answered them: that they are Montreal people, that Montreal is against conscription, that conscription has been voted and that the Canadian Northern Railway Bill will also be adopted.

Well, let us see. Should an honourable gentleman, in the position of the Solicitor General—with all thel responsibility of his position, with the responsibility he has in the Cabinet, being one of the advisers of His Excellency the Governor General, being one of the main springs of the Cabinet who have in their hands the administration of the public weal—should he so express himself? I ask you whether that is an argument to offer to men who, having opinions similar to those held by the minister now on the Treasury benches, consider with awe and apprehension the Bill we are now dealing with. At present, public opinion is overexcited and rightly so; public opinion demands why this Bill in the last days of a Parliament almost dying—which is now in session because one

[Mr. Gauthier.]

year's extension has been granted it—why bring up such a Bill in the last days of the session? But what is worse than all that, in my opinion, is the fact of the Government, through the Minister of Finance, taking upon themselves the task of imposing this measure upon the House by resorting to the very means by which they can gag the Opposition.

Every one throughout the country, is saying that our press is no longer independent. Everybody says so. When men of high standing have reached the conclusion and say, not in low tones, but very loudly that public opinion has no longer any information from the press of this country, and that the Government, who have in their hands the destinies of Canada, are trying, during the last days of a session, which has lasted some eight months, to pass this Bill under the closure system, do you believe, Mr. Chairman, can the Government believe for one moment, that public opinion will be quieted? It is possible that the transaction may be disputable; it is possible that, from the Government's point of view, the transaction be necessary; it is possible that, with the insight particular to the ministers and especially to the Minister of Finance, it is possible, I say—and I am only a party man—but, after all, I cannot understand why some men assume, without any reason, such a responsibility as that attached to the passing of this measure, without having imposed upon them the imperious necessity of assuming such a responsibility. But, why then, if necessity demands that the Government pass this measure, should the Government be forced to do more than their duty? By imposing the closure, is not the Government doing more than their duty? I answer yes.

The Government come before the House, they explain their Bill, they defend it with General—with all the responsibility of his this measure, who is the Minister of Finance, and all the reasons he has set before us may have their bearing. But we who represent the people after all, we contend that we have not had sufficient explanations. Are you going to satisfy public opinion by preventing us from speaking? Is that a fair way of reassuring those who stand in awe? Is that the way to restore public confidence to say to those who demand further explanations: you are not satisfied with what we have given you, you demand further explanations, we refuse to give you them; more than that, we shall take advantage of the regulations we have ourselves had adopted, and we shall impose that measure upon you, willy-nilly.

I say to the Government—I have no mission to give a guidance to those who administer the country, and I do not pretend to do so either—but I have a duty to perform, I am a member of this Parliament, I sit in the council of the nation, being in contact with a large part of the population, I lay before the Government facts which militate in favour of an extensive discussion and if the Government, after having heard our arguments, find them worthless, they are at liberty to reject them, but there is not a single man in his senses who would not give up before evidence, be he the most inveterate partisan you could find in this country.

If the Government would openly give the Opposition all the information they ask, and thereby prove their good faith—for, any way, I would not pass any rash judgment—but in the face of the Government's insistence, of its manner of proceeding, of the impediments they are putting in the way of the free discussion of this measure, I say that those who believe that there is a snake in the grass are probably not mistaken.

When we see men of the standing of those who have signed the Montreal manifesto, they may say what they please, the great majority of those who signed that document are men who hold the same political tenets as the hon. Minister of Finance.

Would any one for a single moment pretend that men supporting, as they have ever supported in the past, by their votes, by their work, by their influence, by their money contributions the candidates, the policy and the Bills of the present Government; would any one pretend that when they took the stand they have taken in censuring this Bill, they were inspired with the desire of harming the Government? No one can pretend that. Will any one pretend that the signers of this memorandum wish to promote the Opposition interests? Why not at all. What is then their mover in making them condemn this Bill? Their prime mover is that, being friends of the present Government, and seeing that this Government have entered into a dangerous path, they have the courage to sign a document in order to put them on their guard and prevent them from committing the iniquity they are in the way of perpetrating and, in the face of this calm, cool, rational protest of business men, friends of the Government, who assume to put the Government on their guard against an administrative Act and a legislative measure, the consequences of which have such a vast scope as the Bill we are now discussing, I say that the Government should treat their friends more confidently. It may be possible, Mr. Chairman, that from this side of the House, all that we do, all that we say shall be supposed to bear the stamps of partisanship, but at least those who are not in the Opposition, the friends of the Government, who lay before the administrators of Canada the facts and the reasons which have induced them to sign this manifesto, should deserve some consideration.

But there is more than that; it is under the pressure of public opinion that these gentlemen have seen fit to warn the Government, and when warning the Government, the only answer they get from the country's administrators, is the gag and the closure, imposed upon the members of His Majesty's Opposition in this House. I say that the Government's responsibility is heavier than they seem to realize.

After these considerations, Mr. Chairman, I thank you for the attention you have paid to my words and for the freedom of speech you have granted me, and I ask the Government to discuss and allow the discussion of that measure with the widest possible latitude, in order to reassure not only the members of the Opposition, but to reassure commerce, to reassure finance, to reassure the public.

Some may contend that this Bill is very bad. The Government may contend it is very good. It is perhaps not as good as the Government claim it to be and it may perhaps not be so very bad as the Government's adversaries contend it is; but all I do ask, in my own name and on behalf of the electors I here represent, is that the widest possible latitude be granted for its discussion, in order that, from its discussion in the House, public opinion may have some reasons for seeing or for understanding the Government's action which, for the present, is neither excusable nor comprehensible.

Sir THOMAS WHITE: I beg to move:

That all the words after "Fund" on line 4, page 2 of the Bill be struck out and the following substituted therefor:

Provided, however, that until authorized by Parliament the total of such advances shall not exceed the sum of twenty-five million dollars. A statement of any such advances showing in detail the purposes for which they were applied shall be presented to Parliament by the Minister of Finance within twenty days after the opening of the next ensuing session thereof.

That the words "and may apply their own judgment in determining such value", appearing on lines 24 and 25, page 2 of the Bill, be struck out.

That the following words be added to subsection 2 of section 4 of the Bill:

In determining the value of the said six hundred thousand shares the arbitrators should

they regard it as expedient to take in to consideration the reproduction cost of the Canadian Northern Railway system shall not include therein the increase in value, due to the war, of labour, materials, equipment or of any property.

That all the words after "Fund" on line 38, page 2 of the Bill, be struck out.

Mr. KYTE: It will be a dark chapter in the history of this Parliament that will record the incidents of to-night. Vastly the most important piece of legislation of a civil character that has come before Parliament in many years is attempted to be disposed of in a manner that must impress the people of this country with the fact that the Government which is in control at the present time are seeking to shut off as much as possible discussion of this important measure. During the present session of Parliament we have witnessed a lobby such as was never before known perhaps in the history of the Dominion. We do know that interests friendly to and in the employ of the company that will be the beneficiary of this legislation have appeared by their agents, and have canvassed and imprecated members of this House in support of this legislation. Not only that, but they have endeavoured to becloud the real purpose which they have in view by advocating at the same time a national government. Conscription, national government, and the relief of the Canadian Northern railway, are the three policies of the Government at the present time. The Canadian Northern railway interests think this is a good occasion to come before Parliament, and under the guise of Empire-savers, under the guise of savers of this Government, advocate the entrance into Parliament of Liberals in order that they might have their interests protected by a union government. Lobbies of this kind are not unknown in the United States, and I believe this is the first time that a really concerted effort on the part of big interests has been put forward in this country for the purpose of influencing Parliament. In the Congress of the United States a few years ago, the Southern Pacific railway sought to influence the legislators of the Republic in a manner similar to the demands being made upon the legislators of Canada at the present time, and the following was written of the Southern Pacific lobby:

The most pitiable and at the same time the most disgusting spectacle that now offends the national capital is the Huntingdon lobby. The list of paid lobbyists and attorneys now number twenty-eight, and their brazen attempt to influence Congress to pass the Pacific Railroad Refunding Bill have become the disgrace of the session.

This great political machine was much more efficient than Tammany's or any other machine that ever existed, because it was non-partisan; it dominated the Democratic organization as easily as the Republican. Political manipulation is reduced coldly to the exact principles of science and business. It made politics a matter of scientific corruption and perfect organization, and by this means it secured astonishing results.

The Minister of Finance in the course of his observations this evening referred to Sir Donald Mann as a supporter of the Liberal party, the inference being that Sir William Mackenzie, the other paramount partner in the combination, was a supporter of the Conservative party. So I suppose it is designed that each of these two gentlemen shall influence the political party of which he is a supporter.

The Government has embarked upon a policy of conscription, in connection with which appeals are being made that all party strife shall be set aside for the moment, and the energies of this country, so far as our resources of men are concerned, shall be employed in the great struggle in which we are engaged at the present time. But it is rather extraordinary that while the Government are imploring the people of all classes to set aside party strife and join together for the purpose of promoting the interests of the Allies, they are not unmindful of the obligations which they owe to certain interests in this country. They hope under the cloak of the conscription policy, under the influence that this great question would naturally have on the minds of the people, to be able to smuggle through legislation of this iniquitous character. It reminds one of a German cruiser disguised as a hospital ship coming within range of a passenger vessel and destroying the helpless women and children who had taken passage on the ship. The Government think that by putting forward a conscription law, while the minds of the people are entirely occupied with the issue, they can pass legislation such as this through Parliament without comment and without opposition. While they might reasonably hope to smuggle legislation of this nature through Parliament under ordinary circumstances, how can they attempt to pass it through Parliament by means of the closure, which has been introduced in this House this evening?

The Drayton-Acworth report, referring to the stock which it is proposed this country shall buy, says:

The property investment of the Canadian Northern Railway system is stated in the bal-

ance sheet of June 30, 1916, at $494,112,489.34. The figure admittedly has been written up to include $100,000,000 of capital stock. And this stock, as we have already said, was issued without any cash consideration. We have endeavoured to ascertain the actual cost of the system. From the company's official reports and special statements supplied to us, we have ascertained that the maximum cash investment that can have been made in the property is $383,302,451.33.

So that the proposal before Parliament at the present time is to purchase from the Canadian Northern interests certain stock which the Drayton-Acworth report says is without any cash value. Speaking on the subject of the advance to the Canadian Northern railway in 1914 the Minister of Finance made some reference to the disposition of the stock held by the Canadian Northern railway. He said:

The whole argument against watered stock proceeds upon the basis of the public getting the watered stock and paying for it on the stock market of the world claiming to be entitled to receive dividends on their stock. This $68,000,000 or part of it may get into the hands of the public and be worth close to par.

The $68,000,000 of common stock of the constituent and subsidiary companies goes into the treasury of the Canadian Northern Railway Company to stay there.

That was an assurance which members of this House would have reason to accept at its full value but I was somewhat surprised to hear the Minister of Finance read a statement the other evening to the House as to who are the present owners of the common stock of the Canadian Northern Railway Company. Those who are not particularly interested as directors of the company who own the stock are the British Empire Trust Company Limited holding $324,000, John Aird and H. V. F. Jones in trust $1,000,000, and Mackenzie Mann and Company Limited $58,614,000. In regard to the stock held by Mackenzie Mann and Company the minister read the following letter from their secretary:

Mackenzie, Mann & Co., Limited,
Toronto, August, 21, 1917.

Hon. Sir Thomas White,
Minister of Finance,
Ottawa, Ont.

Dear sir:—

With respect to the $58,614,000 of stock of the Canadian Northern Railway Company standing in the name of Mackenzie, Mann & Company, Limited,, $51,000,000 is wholly the property of Mackenzie, Mann & Company, Limited; $2,000,000 is held in trust for certain officers and employees of long standing in the company; $1,600,000 is deposited with the province of British Columbia; and the balance, namely $4,014,000, is held by Mackenzie, Mann & Co., Limited, pending uncompleted financial arrangements for distribution of same amongst Mackenzie, Mann & Company, Limited, Lazard Bross., London, England, and British Empire Trust Company, London, England.

Yours truly,
R. A. Macdonald,
Pro Secretary.

So you will see that the promise made by the Minister of Finance in 1914 that as regards the common stock of the company the door would be shut tight and it would be kept in the treasury of the Canadian Northern railway has not been realized. Now with respect to the legislation before us, I read from the statement of the Minister of Finance delivered on the same occasion. At page 3943 of the session of 1914 he said:

What security have we? I have seen a good deal of financing in my time, and I know something of law although my hon. friend from Pictou (Mr. Macdonald) does not think so, and I want to say this: I have never seen as effectual a means of entering into possession of a property upon which a mortgage is held as has been devised by the Solicitor General in connection with this transaction. And further—he will not mind this coming from me—I take off my hat to the Solicitor General for the way he has performed the legal work in connection with this transaction which is one of the most complicated that has ever come before the House.

He was speaking of the clause in the legislation of 1914 which would enable the Government. upon the company making default in the payment of interest, to take possession of the property and dispossess the Canadian Northern Railway Company without any other or formal proceedings by way of foreclosure or otherwise. It is intended to be argued, as it was argued by the Prime Minister a few days ago, that such action on the part of the Government would be drastic and would be in the nature of confiscation. We all remember the very strenuous fight that was put forward by the Solicitor General and the Minister of Finance in 1914 to enable them to get through the House of Commons the legislation which permitted the Government to advance the $45,000,000 to the Canadian Northern Railway Company. We know there was a divided party among the Government supporters. The hon. member for Calgary (Mr. R. B. Bennett) and the hon. member for Kingston (Mr. Nickle) both made very strong speeches against the proposal, and it was only after the Minister of Finance had made an express and specific promise that the common stock of the Canadian Northern railway would remain in the treasury of that corporation and that the Government

would enter into possession of the property of the company the moment default was made, that support was found in sufficient numbers among the followers of the Government to pass that legislation through the House. But, Sir, those promises made by the Finance Minister and the Solicitor General have been thrown to the winds, and we are now asked not only to take possession of the property of Mackenzie and Mann under the legislation I referred to, but we are asked to pay for it at a price to be ascertained, notwithstanding the fact that the commissioners who were employed to report upon the proposition stated the common stock had no value whatever. The hon. member for St. Antoine (Sir Herbert Ames) also spoke in the debate, and he rejoiced over the fact that the Government would be able to enter into possession of this property without any further litigation and without any payment. As appears on page 3733 of Hansard, 1914, he said:

> There is another feature of this matter which, I think, is well worthy of consideration. What is to happen in case of default? We have hitherto been dealing with the situation in case of success; the Government has very carefully looked ahead in regard to what might happen in case of failure. Ordinarily it is a very slow process to foreclose a railroad and for the bondholders gradually to take possession of the physical assets thereof. The Government in this case, however, has supplied a method of quick procedure whereby the axe drops instantly and whereby there can be no coming back for further assistance. It is definitely stipulated in this undertaking what shall constitute any event of default. It is so clearly defined that there can be no possible misunderstanding. Should the Canadian Northern railway fail to pay interest on the securities which are to be issued in connection with the guarantee which we are now authorizing, or should they fail to carry out any of the conditions in the trust deed as accompanying that guarantee, they would commit an event of default. Should the Canadian Northern on any of the previously guaranteed securities or hereafter guaranteed securities fail to pay the interest, they would commit an event of default. If any part of the system goes into the hands of a receiver; if any branch of the whole tree shows signs of decay that is an event of default, and in any of these events the Government can drop the axe without delay. I have heard this agreement described somewhat as a case where the culprit has confessed judgment and has been let out on suspended sentence. Some elements of the agreement certainly can be compared with such a case. The trial is over. The applicants for aid admit that without our help they cannot complete the road. We have undertaken to give them a last chance and it will never be necessary for them to come here nor will it be necessary for Parliament to listen to another discussion such as is taking place this session. They have been tried; I may almost say they have been found guilty and let out on suspended sentence. If there is an event of default; if they fail to perform the obligations that by this new trust deed are placed upon them, the axe drops and that is all there is to it. There is a summary method, therefore, by which the Government steps in and takes possession of the whole enterprise. The Government can replace the directors by Order in Council; the new board of directors will have all the rights that would be given by a board of directors elected by the shareholders and they can deal with the physical property as they see fit. Then the Government can declare the mortgage foreclosed, and can enter into the benefit of the equities, subject, of course, to the consent of Parliament. If the Government, in such event, enters into control, it may become the owner of the system by assuming the responsibilities and powers as provided by this proposed legislation. The Government could then arrange the whole financial system involved so as to protect all concerned. The Government can operate; the Government can lease, or the Government can create a new railway company to manage the road and enter into ownership if so desired.

The Minister of Finance stated this evening that the fundamental principle contained in the Bill now before the House is the principle of government ownership. He says that they are about to secure the possession of this great railway enterprise, and that the aspirations of certain classes in this country will be realized as regards the government ownership of this railway system. But from the speech I have just read, which was delivered by the hon. member for St. Antoine in 1914, and from the speech delivered by the hon. Minister of Finance in 1914, this legislation is not necessary because under the legislation of 1914 they can take possession of the property and either lease it to another corporation, create a new company, or operate it as a government railway. Why is it that the Government have changed their minds? Why is it that the proceeding which appeared to them so plain and simple in 1914 is not feasible now? We know that certain transactions have taken place in regard to the common stock of the Canadian Northern since 1914, and this notwithstanding the statement made by the Minister of Finance that the door would be closed and that the stock would remain in the treasury of the Canadian Northern. An argument has been made that Mackenzie and Mann have equities in the common stock of the Canadian Northern, that there is some value in it to be ascertained. I read from the Drayton-Acworth report a moment ago the statement of these commissioners that the common stock has no value whatever. If so, what in the world is the Government going to arbitrate for? I have the figures which were compiled from that report and I find the following:

Reproduction cost, new..	$397,441,567
Value after deducting depreciation	357,409,678
Cost of reproduction of equipment	56,590,000
Value after deducting depreciation	45,339,985
Valuation of lines and equipment	402,749,662
Outstanding bonds, debentures, notes and other liabilities over	400,000,000
Physical property held by subsidiary companies..	10,000,000

The amount of outstanding liabilities which I have given, totalling over $400,000,000, does not include liabilities to contractors which are still unpaid by the Canadian Northern Railway Company. As against liabilities of $402,749,662 there are only assets amounting to $390,000,000. Is it any wonder that the commissioners appointed to go into this matter have reported that the common stock has no value? Again, I ask, why is it that the Government have come before Parliament to get legislation through to enable them to arbitrate to give value to common stock which their own commissioners state has no value whatever?

There are communities in this country that are lacking railway accommodation owing, it is said, to scarcity of money on account of the war. The excuse that the Government always gives against an expenditure of money, if it is not accompanied by good party results, is that it is not possible for them to provide money to further develop the railway requirements of this country. For many years the subject of the acquisition of branch railways in the Maritime Provinces has been discussed in Parliament. Resolutions adopting the principle of the Government acquiring branch railways and operating them as parts of the Intercolonial system have been passed by Parliament and accepted by the Government. But there is no expenditure of money. From the greatest to the smallest expenditures are not made except with an eye single to party advantage. We all remember that in the session of 1911 the late Government placed in the Estimates $1,000,000 to provide for the construction of a railway from Halifax to the harbour of Musquodoboit, in the county of Halifax. There was also an appropriation of $1,000,000 placed in the Estimates for a railway from Sunny Brae, in Pictou county, to the town of Guysborough, on the southern shore of the province of Nova Scotia. After the advent of the present Government they struck from the Estimates vote for the railway in Guysborough, which is represented by an opponent of this Government, but the appropriation to provide for the construction of a railway in the constituency of the right hon. the Prime Minister was retained in the Estimates, and that road was constructed. There was also a demand for the construction of a railway in the county of Victoria, represented by my hon. friend on my left (Mr. McKenzie). My hon. friend had succeeded in impressing upon the late Government the advantage in the public interest of constructing that branch line, but when this Government came into power, because the hon. member for North Cape Breton is not a supporter of the Government, nothing was done in the way of extending that railway through that part of the country. With respect to the constituency which I have the honour to represent, there was also a railway question, which had been presented to Parliament for some years, and which had been accepted by the late Government. Steps were being taken to acquire the Cape Breton railway, which was being operated between Point Tupper and St. Peters, and to extend the system to Sydney and Louisburg. Since the advent of this Government nothing further has been done. The Minister of Finance is undertaking tremendous financial obligations with respect to the Canadian Northern Bill. My hon. friend from Pictou (Mr. Macdonald) referred this evening to the enormous interest and commissions paid by the Minister of Finance to obtain the last loan of $100,000,000 which he got in New York. Taking into account the yearly interest, discount and commission, the rate at which he obtained that loan cannot be less than 8 per cent. That is a new record in regard to the financial affairs of the Government. When we take into account the enormous burden which will be added to the taxpayers of Canada in respect to this transaction, and the fact that there is a very widespread feeling that the Government are not actuated solely in the public interest in dealing with the matter in the way they are, it would have been well for the Finance Minister to have gone a little further and once and for all to have settled the whole problem of railway transportation in Canada. They are by this legislation acquiring at least the control of the Canadian Northern railway system which extends from Quebec practically to Vancouver. Further, in Nova Scotia, there are those railway problems that I have just referred to. The construction of a railway from Sunny Brae to Guysborough, the construction of a rail-

way in Victoria and the acquisition of a railway in Richmond and its extension to Sydney and Louisburg, would involve an amount which would be a mere bagatelle compared with the enormous expenditure which the Government are undertaking with respect to the Canadian Northern proposition. If this Government were actuated by a desire to serve the public interest, and not simply by a desire to serve party interest, they would adopt the statesmanlike plan of dealing once and for all with the railway problems of this country and giving the people from Sydney to Vancouver a railway, if not owned, at least controlled by the Government and affording to communities served by branch railways, especially in the Maritime Provinces, the advantages with respect to freight rates that are enjoyed by those who live along the line of the Intercolonial railway.

But I am very much afraid that the Government are not actuated in the interest of the public, are not so much interested in the cause of Allies when they bring forward a policy of conscription as they are anxious to bring in a policy that will excite the minds of the people of this country and, while the minds of the people are excited on the question of conscription, they hope to put over such deals as the Canadian Northern deal, which they are in a fair way of accomplishing. But the Finance Minister and the Prime Minister are deceiving themselves if they think they can get away with these deals under the shadow and under the concealment of a conscription law. The Government, when they appeal to the people, will be dealt with upon their record, and their record is not one to invite strong support in any section of this country. It will not be forgotten by the people of this country that from 1914 to 1917 the Department of Militia and the whole war machinery of this country have been operated almost solely with a view to party advantage and to placing in the hands of the party friends the largest possible percentage of the public moneys voted for war purposes by this Parliament. The whole conduct of the Government with respect to these fiscal and other matters which are vitally interesting to the people of this country will be dealt with when the time comes. They will deal with the question of the Canadian Northern railway and the efforts of the Government to pay to the Canadian Northern railway good money out of the treasury of this country for stock that is not worth one dollar, according to the report of the commissioners appointed by the Government to inquire into it.

I am afraid that by any appeal I may make to the Finance Minister to go a little further with his railway policy, inasmuch as he has adopted a very reckless policy with respect to the Canadian Northern railway will not be heard. I shall not succeed in influencing him to throw his partisanship aside for the moment and deal fairly and equitably with counties represented by liberal members, as well as giving railway accommodation to friends and supporters of the Government in various constituencies in Canada. But, as I said, there is a ray of hope. The 7th of October will soon come, and disillusion will come then; the people of this country will have an opportunity of dealing with this Government upon its merits not only as regards conscription but as regards every other matter of policy in which they have betrayed the interests of this country.

Sir THOMAS WHITE: I beg to move that further consideration of clause 4, with amendment, be postponed, and that the title of the Bill be now considered.

Mr. OLIVER: Is it intended that an amendment such as this shall be put through as a part of the section?

Sir THOMAS WHITE: I have included them both in my motion.

Mr. PUGSLEY: You are putting it through by closure; the whole thing is done without consideration of the clauses.

Mr. OLIVER: Is it the intention, when the consideration of the section is resumed, that the amendment and the section shall be considered together or will they be considered separately as is usual, and as is absolutely necessary to give reasonable consideration to the question?

Sir ROBERT BORDEN: The amendment will be voted on and then the section as amended will be voted on.

Mr. OLIVER: Is it understood that the amendment will be considered by itself, that is, will be discussed separately from the section, or will there be a single discussion on the section and the amendment?

Sir THOMAS WHITE: A single discussion.

Sir ROBERT BORDEN: A discussion on the section and the amendment at the same time.

Mr. OLIVER: At the same time? I submit that is not according to the rule of dis-

cussion, nor is it possible to have a reasonable discussion under those circumstances. It is a very remarkable divergence from the ordinary rules of debate. I do not find anything in the rules of debate that warrants that course, and certainly we cannot have a proper consideration and discussion of the amendment and of the section unless we consider them separately and vote on them separately.

Mr. PUGSLEY: Would the minister keep the axe suspended for one moment, by consent? Of course I have no right to speak except by consent. I wish to call attention to the fact that the arbitration provision is unusual. There is no provision to meet the condition of what might happen if the pledgees and company should decline to appoint an arbitrator. In the meantime, the Government will have taken the stock and begun to spend money on the road. Then there is no provision in case of the death of an arbitrator.

1 a.m.

Sir THOMAS WHITE: The Arbitration Act.

Mr. E. LAPOINTE: I wish to draw the attention of the Prime Minister to certain words uttered by him on the 7th of August when the resolution which preceded this Bill was introduced in the House.

Some hon. MEMBERS: Question.

The CHAIRMAN: The hon. member——

Mr. E. LAPOINTE: It is on page 4386 of Hansard. The Prime Minister allows me to refer to it and you will be kind enough to listen. The right hon. leader of the Opposition (Sir Wilfrid Laurier) had made a suggestion that a committee should be appointed to consider the resolution. The right hon. gentleman replied:

> I would suggest to my right hon. friend that we might go into committee on the resolution and perhaps pass it, and then, before the second reading takes place, we could consider my right hon. friend's suggestion. It is desirable, of course, that all information that is relevant should be afforded, but whatever discussion could take place upon the resolution could also take place in committee after the second reading of the Bill.

Upon those words of my right hon. friend, the resolution was allowed to pass. Now that we are in committee after the second reading of the Bill, is it fair that we should be prevented from carrying on the discussion that the right hon. gentleman said we would have an opportunity for?

Sir ROBERT BORDEN: I think that we not only had all the opportunity referred to but a great deal more. We have been at it for a good many days.

Mr. E. LAPOINTE: I have had no chance to say a word yet.

Sir ROBERT BORDEN: My hon. friend has been deprived of the opportunity by others on his own side of the House who have monopolized the time. He will be given great opportunity to-morrow because none of these gentlemen who have been speaking for an hour and one-half at a time can speak for more than twenty minutes to-morrow.

Mr. PUGSLEY: Two o'clock in the morning comes very quickly.

Motion, Sir Thomas White, carried on the same division last recorded.

On the title of the Bill:

Sir THOMAS WHITE: I beg to move that the further consideration of the title be postponed.

Motion agreed to.

Sir THOMAS WHITE: I give notice that at the next sitting of the Committee of the Whole House on this Bill I will move that the further consideration of clauses 1, 2, 3 and 4, the amendments and the title of the Bill shall be the first business of the committee and shall not further be postponed.

Mr. E. LAPOINTE: When will there be that ample opportunity for us to speak on the Bill that the right hon. gentleman spoke of?

Sir ROBERT BORDEN: To-day.

Progress reported.

On motion of Sir Robert Borden, the House adjourned at 1.10 a.m. (Tuesday).

Tuesday, August 28, 1917.

The House met at Three o'clock, the Speaker in the Chair.

REPORT PRESENTED.

Summary Report of the Geological Survey, Department of Mines, for the calendar year, 1916.—Hon. Mr. Meighen.

CANADIAN RAILWAY SITUATION.

CONSIDERATION OF CANADIAN NORTHERN RAILWAY BILL RESUMED IN COMMITTEE—RULE 17B APPLIED.

Consideration in committee of Bill No. 125, providing for the acquisition by His

Majesty of the capital stock of the Canadian Northern Railway Company—Sir Thomas White (Minister of Finance)—resumed from Monday, August 27, Mr. Dugald Stewart in the Chair.

Sir THOMAS WHITE: I beg to move:

That further consideration of clauses 1, 2, 3 and 4, the amendments, and the title of Bill No. 125 shall be the first business of the committee and shall not further be postponed.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: Lost.

Motion declared carried: Yeas, 52; Nays, 25.

On section 1—acquisition of shares of Canadian Northern railway authorized:

Mr. JACQUES BUREAU (Three Rivers) (translation): Mr. Chairman, when this resolution was brought before this House some time ago with a view to considering the opportunity of taking this railway line, we had the assurance from the prime minister that on the occasion of this measure being submitted to the Committee of the Whole we would be allowed all necessary time to discuss it. Assurance was also given that we would have at hand all necessary information, so that we might deal intelligently, with the Bill now before us. I submit, Mr. Chairman, that there is not one single man here who, realizing the duties he has to discharge as a member of this House, will venture to say that he has performed these duties and has done so in the light of the small amount of information supplied to this House.

I want to ask you, Mr. Chairman, whether I shall have to address people talking between themselves and paying no attention at all, or address myself to a House whose duty it is to give ear when a member has the floor?

As I say, then, we are called to pronounce ourselves on a measure by which this country is to be saddled with an enormous indebtedness, and we are not only asked to assume the liabilities of a bankrupt company, but also to agree that the people may be made liable to pay this corporation or its promoters a sum of $60,000,000 or $100,000,000 for the privilege of laying a further burden of $600,000,000 upon the taxpayers of this country.

The first reason why I object to our taking this measure into consideration, is that we have not enough information as to what we are purchasing. We are told that we are taking over 9,500 miles of railroad, but we have not had before the House any information as to the present condition of this railroad line. By taking over the main line, we are also getting control of many sections and branch lines; we do not know what these sections are, we do not know what their liabilities may be, neither do we know what portion is guaranteed by the parent company. There is one of these branch lines, Mr. Chairman, which I know better than the other ones; it is that of the Quebec and Lake St. John, and I beg leave to state that it is a perfectly useless acquisition, as this section is in competition with the National Transcontinental. I say in competition, but I should not use such an expression. The Quebec and Lake St. John railway, if we consider the recent construction of the National Transcontinental, becomes perfectly useless, I might even say an actual danger; in fact, this line has been badly built from its very inception and its operation is most expensive. During the winter months, if they try to clear away the snow and the men use the least strength in shovelling the snow away the rails go off with the snow and the embankment is taken away. Such is, Mr. Chairman, the line the Government are taking over, when they buy this Quebec and Lake St. John branch-road.

But, when we discuss those matters, the Minister of Finance answers: Why, gentlemen, why are you asking for information as to the value of these lines or as to the condition of these lines? We are not buying the engines, we are not buying the stations, we are not buying the physical property of that system, we are only buying the stock.

Well, Mr. Chairman, I should like to know what that stock is worth. We are taking over the Canadian Northern Railway company. What is that Canadian Northern Railway company? Is it the interests of which the Minister of Finance is the representative, or is it the railway line which runs over the continent? Is it the stock that constitutes the main interest of the road, or is it the physical property?

Mr. Chairman, there is something besides this road itself, besides the stock used to keep it running, the real estate comprised in its right of way, its stations and the lands given to the company as a subsidy. It is stated that, in the province of Quebec, a certain quantity of land has been given as a kind of subsidy for the building of branch lines. Pertinently, I say that, if an allusion is thus made to the lands given to the Quebec and Lake St. John railway,

there is not an acre, not even a square foot of land, now in the possession of the Canadian Northern railway, which is the property of the Canadian Northern.

All the lands, Mr. Chairman, which have been granted, as a subsidy, for the construction of the Canadian Northern railway, have been sold, have been localized or transferred, either to private companies, or to lumber merchants and other commercial men. Consequently, if the lands which are counted upon the assets of the company, and localized in the province of Quebec, are any part of the lands granted to the Quebec and Lake St. John railway, I say that the representation made before the House is a false one, showing fictitious assets, but which have been bargained with and speculated on for several years past.

After all, Mr. Chairman, we are called upon to have our say upon a mere business question. We are asked to accept, as assets, on behalf of the people of Canada, a property the component details of which we absolutely ignore. Is there a business man —and I appeal to the hon. Minister of Finance himself—is there a business man in this House, who would buy any trade whatever, who would buy any kind of business whatever, without having previously inquired as to the value of such trade or business?

And how, Mr. Chairman, could he know anything about it? The only way would be to get a detailed inventory, a full inventory of all the personal property, including the franchise and whatever constitutes the assets of the company. This inventory, once completed, it would then be necessary to have experts accustomed to estimate such values, who would put upon every article set down in the inventory, the value, not only the value of the article therein mentioned, but also the state or condition of such article.

I submit, Mr. Chairman, that the information given to the House by the hon. Minister of Finance is not sufficient, and that the Minister of Finance is hiding behind the capital stock to tell us that we are not entitled to know what moveable or immovable estate and what lands do now make up the assets of the Canadian Northern company. I say that he does not do justice to the members of this House and that he does not do justice to the country, because we are not in a position to pronounce ourselves.

There is another way, Mr. Chairman, in which some hon. gentlemen try to justify, partly, the stand taken by the Government, and that is by invoking the report of the Drayton-Acworth commission and therein they take whatever suits the Government and they set aside whatever does not suit the gentlemen to whom they intend to make a present of the value, whatever it may be, of the company's stock once it has been estimated by the commissioners who will be appointed.

It is shown, by the report of a commission appointed by the Government, that the stock has never cost one cent, that there has never been one cent spent in payment of that stock, and that, consequently, they have in no way contributed to the construction of the railway. It is watering of stock and nothing but watered stock.

It has been moreover stated by the Solicitor General, in 1914, that these securities or these stock were worthless, because they had cost nothing and because not a single cent had been paid for their exchange.

The Minister of Finance also told us, in 1914, as he has stated and asserted it last night, before this House, that this stock was the property of the Canadian Northern and would remain its property.

Where is the member who could give me information as to the value, the condition and the running expenses of any of the Canadian Northern branch lines? No one can answer as to that, unless he has found some information in returns; that are withheld from us; no one can certainly answer me from the information now before the House and which is at our disposal.

Now, Mr. Chairman, why should this House be called upon to-day to ratify a legislation whereby some thing will be estimated, which has been admitted by experts, who have been chosen to form the Smith, Drayton and Acworth Commission, as not having cost a single cent; I refer to the payment of those shares. Why are we asked to appoint a new tribunal whose functions will consist in giving a value to a thing that has none? Is it in virtue of the principle laid down by the Government namely, that when they ask any commission to make a report, if that report meets their expectations, they will accept it; but on the other hand, if the same commission makes a report which does not suit them, they set it aside, they repudiate the commissioners, and appoint a new commission composed of members whose opinion has been ascertained.

We are asked to-day to ratify this transaction which shall be imposed upon us. The Minister of Finance says to us: "We know that the Canadian Northern company finds it impossible to meet 'ts obligations."

Upon what does he rely to advance such a statement, how does he know? Can a single man be found who will believe that this Government has come to such a conclusion without a single line of correspondence having been exchanged between the Canadian Northern authorities and the Government? Does the hon. Minister of Finance or the Prime Minister expect to find a single sensible man who will believe that Messrs. Mackenzie and Mann have merely come here and said to the Government: You have endorsed our debt, we find it impossible to meet our obligations, the taxpayers of Canada must take up the burden and this Bill must be approved by the House.

If such are the facts, I say that the Government and their supporters who approves of this Canadian Northern measure, are guilty of criminal thoughtlessness; because in order to give a decision upon such an important legislation, we must have the fullest and most definite information. Let us go back a little and see in what conditions we are to-day.

In 1914, the Canadian Northern people came down here and asked the Canadian people to lend them 45 million dollars and the Government agreed to advance them this amount against $40,000,000 worth of stock.

In those days, the hon. Minister of Finance was loud in his admiration for the Solicitor General (Mr. Meighen) who had known how to prepare such a contract that the company found itself delivered up to the country tied hand and foot, and that the Government could take it over at their own conditions, should the company fail to meet its obligations. Should the Canadian Northern be in default, the stock of that company would automatically pass into the Government's possession, which means that the Government would become the owner of the road. To-day the situation is changed; they are going to appoint arbitrators to look into the stock and impart some value to it. Which meant that, automatically the Government became the owner of all the Canadian Northern shares, to define and determine the value of which they are to-day asking the appointment of arbitrators.

Mr. Chairman, some one yesterday quoted in this House, the utterances or a report of the Minister of Finance to that effect, showing that the stock of the Canadian Northern is not in the hands of that company. Now, in 1914, one of the reasons for which a large number of the members of this House felt the loan was justified, was that this stock

which was to be the consideration for the exchange made between the Canadian Northern and the Government, or rather which was to be the basis on which the control of the railway would return to the Government, was still the property of or had remained in the Canadian Northern treasury, and to-day we see that nothing is left of it, that it has been distributed or given as a pledge, or supposed to be in pledge, to put it out of the Canadian Northern treasury and to allow a profit to the holders, when a value would have been set, not an actual value, upon the stock's own worth, but a value given through the endorsement of Parliament or through the taking over by Parliament of the Canadian Northern system.

That means either one or the other of two facts; either, at the time, the stock was actually in the Canadian Northern treasury, or it was not. If it was not there, the Minister of Finance has deliberately deceived this House when he told us that this stock had remained in the Canadian Northern treasury. If it was in the treasury, the hon. Minister of Finance has not done his duty, since he has the right and the power to appoint a certain number of directors who would be charged with looking after the Government's interests, I say, Mr. Chairman, that the Minister of Finance should have given instructions to those directors not to allow, until the reimbursement of the 45 millions advanced had been made, a single share of the Canadian Northern to go out of that company's treasury to be given in pledge, for after all, we were losing the control of the stock, from the moment the company lost its control when distributing it into other hands.

I say that if, when the Minister of Finance stated it to this House, this stock was in the Canadian Northern treasury, as a security, in case the Canadian Northern should not meet its interests, so that it might automatically return to the Government, if it was there and is now gone out of it, the Minister of Finance has failed in his duty and he has grossly failed in his duty. And, Mr. Chairman, he has not the right to-day, when we ascertain that failure, upon his own admission, he has not the right to come before this House and say: Gentlemen, trust in me; he has not the right to come before this House and deny us, the information we are asking. We are right in being on our guard and more cautious, because we can see that, from the very beginning, since 1914, there have been either false representations on the part of the Finance Minister, if the stock

was not then in the Treasury, or, if the stock was in the Treasury, there has been criminal negligence on his part to allow this stock to leave it.

Last evening, I was amused when I heard the hon. Minister say: Gentlemen, we put the gag on you, for it is rumoured on the street that you intend causing obstruction to this measure, and, consequently, if you mean to make any obstruction, we will gag you.

Mr. Chairman, had we not the right to do some obstruction? What are indeed the street rumours about this affair? The first one I heard was to the effect that the proposal made to this House was the most iniquitous proposal ever head of in the political annals of any country, or even in Russia. The street rumours were that the intention was to haggle this affair, to impose upon the people a burden of over $600,000,000 in order to favour a few friends, in order to use them much at variance, might I say, with public interest.

Such are the rumours we heard on the street.

Now they come here and say that we are attempting to make obstruction when we are trying to obtain information, when we are trying to be enlightened, to have the people of this country enlightened. I say no, Mr. Chairman, they cannot say that, and the Government have no right to impose this measure upon us without giving us some information. The protests we are making to-day, Mr. Chairman, are not due to the fact that we have any objection to the Government taking over this railroad, but the protests we make are that the Government have not the right to impose upon us such a Bill without previously giving us all the details we ask, without having previously informed the people of Canada as to the financial situation and the physical condition of the property we are taking over.

For my part, Mr. Chairman, I protest as forcibly as I can, and I say that this iniquitous measure should never be introduced or imposed upon the House, without previously submitting all the information that have been asked for and refused, without our knowing how it is that this stock which should have been kept in the treasury is now gone; why these moneys will be paid and to whom; why this stock will be handed over and in consideration for what services.

The CHAIRMAN OF THE COMMITTEE (Mr. Rainville): I will call the hon. member's attention to the fact that he has spoken twenty minutes.

Hon. Mr. BUREAU: I thought I had begun only at twenty minutes past three .

The CHAIRMAN OF THE COMMITTEE (Mr. Rainville): I am prepared to assert that I was in my seat at a quarter past three; however, if the hon. member wishes to speak two or three minutes longer, I believe I can grant it.

Hon. Mr. BUREAU : I will take advantage of these two or three minutes to record my protest against the Act which it is intended to impose on us and against the methods laid down. Yes, Mr. Chairman, I wish to strongly protest against the Act which they intend to force through by means of a brutal majority, an Act to be forcibly passed under cover of the British flag. When I was a child, I have always been taught that the British flag was the living emblem of liberty and of fair play; never have I been taught that it could be used to cover, to shroud in its folds the misdeeds of a Government, of an unprincipled and moribund Government.

Mr. ETHIER (Two Mountains) (translation): Mr. Chairman, I cannot allow to be placed upon the statute books of Canada an Act so iniquitous in its conception and so disastrous in its consequences, from an economic and financial point of view, without protesting with all the energy in my power against the iniquity which the present Government is trying to perpetrate. Indeed this is one of the worst misdeeds of the Government since 1911, and especially since the beginning of this session. We need only go back to the 18th of May last to see that from that date, since the hon. prime minister has returned from England, its object has been to take away strip by strip, bit after bit, all the liberties that were guaranteed to us by the Constitution, before the present Government, elected under false pretences, came into power in 1911. We have only to refer to the conscription Act, to glance backwards, to examine the Act relating to the soldiers' vote, and we will find that the Canadian Northern Act, which is now before the House is the crowning piece of the present Government's efforts and conduct since May 18 last. I am opposed to the passing of this Act, and I am not the only one who objects to it. I am in pretty good company.

The hon. member for South Renfrew (Mr. Graham) in the course of the remarks he made upon this Bill's second reading before the committee, has laid before this House the protest of a group of high financiers in Montreal. I do not intend to again

insert in Hansard those high financiers' protest in full; however it seems fit to refer to it and to recall to you, Mr. Chairman, in case your memory might fail you in a near future, the names of these distinguished gentlemen, and I ask myself, when the prime minister and his Government see the names of Messrs. F. W. Molson, James Law, H. R. Drummond, Geo. E. Drummond, Armand Chaput, Ferd. Prudhomme, Zeph. Hébert, A. J. Brown, C. S. Garland, H. A. Ekers, Chas. Chaput, A. Guy Ross, Joseph Ainey, C. Meredith, C. S. Campbell, W. R. Miller, George Caverhill, Wm. McMaster, H. W. Blackwell, Andrew J. Dawes, Robert Hampson, George R. Hooper, George W. Sadler, W. W. Hutchinson, Wm. C. Finley, F. H. Wilson, G. F. Benson, A. Craddock Simpson, James Morgan all of them most devoted friends of theirs, with only a few exceptions.

When, I insist upon it, I see the names of those high financiers who put the Government on their guard against the infamous action they are about to commit to the country's detriment, and on account of our present circumstances, I am asking myself whether the Government should not obey at the last minute a good impulse, withdraw this measure, abide by the Act of 1914 and turn over to a receiver this insolvent company which they want to redeem and get out of trouble to the country's detriment and to its shareholders' benefit. And who are they, these shareholders? They are, besides the Minister of Finance and Receiver General, in trust for His Majesty, $40,000,000 in shares: Sir Wm. Mackenzie, $10,000; Sir Donald Mann, $10,000; D. B. Hanna, $10,000; E. R. Wood, $10,000; R. J. McKenzie, $10,000; Z. A. Lash, $2,000; Hon. F. Nichol, $2,000; R. M. Horne-Payne, $2,000; Hon. L. H. W. Richardson $2,000; W. J. Christie, $2,000; W. K. George, $2,000; British Empire Trust Company $324,000; J. Aird and H. E. F. Jones, in trust, $1,000,000; McKenzie and Mann, $58,614,000. Altogether, it makes a total of one hundred millions.

That is probably the reason why they want to acquire the Canadian Northern and to reimburse on the same occasion its shareholders a sum of $100,000,000. Would not the object also be to save from bankruptcy the Canadian Bank of Commerce, which is said to be responsible for all the Canadian Northern's liabilities since its very inception?

I therefore can say I am in good company when I object to the passing of this Bill,

[Mr. Ethier.]

and quote the names of these Montreal financiers. But there is not only the province of Quebec, that province which they have taken so much pleasure to cry down in this House since the opening of this session, there is not only these bad Montrealers and these bad Quebecers who protest against the Government's iniquitous conduct. There is also the Toronto Single Tax Association. Does that Toronto businessmen's association support or condemn Sir Thomas White's Bill?

I am anxious to put on record the resolution which the Single Tax Association adopted on August 23 last:

> Whereas the Canadian Northern railway has been almost entirely constructed and supported by public money, under the form of bonuses, allowances and loans, the Federal Government loans included;
>
> Whereas the Federal Government now propose to take over the road and to assume the liabilities amounting to some $350,000,000, and to pay Messrs. Mackenzie and Mann the amount of shares they still hold;
>
> Whereas the Federal Government have already lent this company a sum of $45,000,000, receiving as collateral securities, bonds representing 45 per cent of the capital stock, although these shares represent no capital investment and will be worthless as long as the railway has not become a financial success, what it is not;
>
> Be it therefore resolved that, we, the undersigned, do strongly protest against the acquisition of an insolvent railway, at the price of a solvent concern, and against any payment for the company's ordinary stock; and we urge that, if the Government, as creditors for several million dollars, see fit to make any new loans in order to protect their claims against the company, they should safeguard the interests of the people whose trustees they are, by taking over the company's assets without any further payment to the promoters who, as the fact is well known, have already realized enormous profits in the organization and the construction of the road, and have been fully remunerated for all the time or money they may have spent.

Well will the Government turn a deaf ear to those justified, scathing and severe protests from two associations, from two groups of men representing the largest capital of the whole Dominion, of Toronto and Montreal, when these protests are made by friends of the Government? When they put them on their guard, will they put aside the idea that these people truly represent public opinion, or will they merely take advantage of and illuse their majority in order to favour the shareholders interested in this insolvent and bankrupt company and at the same time redeem its stock, probably with the object of providing an electoral fund, in view of the coming general elections result of which the Government is evidently afraid of.

Mr. Chairman, I say that this Act was conceived in iniquity, because it is contrary to pledged troth. One would think that, lately, we were living in Russia or rather that we were living in Berlin. We might believe we are being guided, governed by Boche government.

Did not this Government promise through its prime minister, on February 8, 1916, when he proposed the resolution demanding the extension of the Parliamentary term, was it not understood that no other matters would be dealt with save those arising out of the war and the settlement of which was necessary with a view to the successful ending of this war and towards helping on the Allies' cause?

On February 8 1916, I read at page 624 of Hansard:

> Coming back from Great Britain, impressed with that conviction, I sought an opportunity of conferring with my right hon. friend on the other side of the House (Sir Wilfrid Laurier) as soon as was possible after an illness from which at that time he was unfortunately suffering. I had a conference with my right hon. friend on the 14th October and, later, on the 2nd November. Certain correspondence took place between us with which, as we agreed, neither he nor I need trouble the House or the country at the present time. Generally speaking, the discussion which took place between my right hon. friend and myself was along these lines; as to the advisability of an extension for one year after peace, or for one year absolutely; the avoidance of any general election during the war; the proposal that by-elections should not be contested in the meantime and that each party should retain the seats it now holds, or had held previously to the vacancy.

Undoubtedly, it must be on account of that promise that the Government hastened to fill, in the Senate, the vacancies created by the demise of some senators.

And he adds:

> The suspension of party warfare during a war which obviously threatens the existence of the Empire; and, lastly, the restriction of legislation to matters arising out of the war, or occasioned thereby, or directly connected therewith, except possibly minor matters or matters of urgent need and unavoidable necessity as to which I would desire to consult with my right hon. friend.

Well, I say that this Act is an outrage to the pledged word, and I ask the Government and all those who support them, whther the passing of this iniquitous law necessarily proceeds from the war, if the purchase of the Canadian Northern is a product of the war and if it is the war which has brought about the insolvency and the bankruptcy of Mackenzie and Mann; I wish to state in pursuance of the agreement made, that the right hon. prime minister should have consulted the right hon. leader of the Opposition. Has he done so? No. However, Messrs. Mackenzie and Mann must be assisted, cost what it will, and money is needed for the electoral campaign. Never mind the country's financial conditions; never mind if, to-morrow, after this deal is concluded our debt may be more than two billion dollars; never mind the after-the-war problems, let us forget our present crisis; the question is, before all and above all, to save the situation of Messrs. Mackenzie and Mann and of our friends, to the country's detriment.

The province of Quebec, that province which is the nightmare of the English provinces and specially of the province of Ontario, did not allow herself to be caught in Messrs. Mackenzie and Mann's snares; she turned a deaf ear to their proposals. The province of Quebec has not guaranteed any of the Canadian Northern debentures, as stated the other day by the hon. prime minister of the province of Quebec, Mr. Gouin:

> The province of Quebec has not guaranteed the debentures of any railway company in this country (acclamations), whilst in the other province, they were being endorsed for 20, 30 and even 50 million dollars. And now that these railways are built, some of them being in bankruptcy or on the verge of insolvency, the Government, who have no longer the confidence of the country, are going to get us into debt for 700 million dollars of which the province of Quebec will have to pay the largest portion. It is not 25 millions they are saddling us with, it is a sum of over 100 million dollars. I know what I am talking about.

The question is quite settled if we consider in what way the hon. Minister of Finance has floated his last one hundred million loan in Washington. Is it not a fact, Mr. Chairman, that under the administration of the hon. leader of the Opposition (Sir Wilfrid Laurier) Canada had access to the European markets and could find the required capital at a rate of interest of 2½ per cent? You may probably tell me that the economic conditions are not the same. Quite true, I grant, but the difference between 2½ per cent and 8 per cent is also very large. The country's credit must be at a very low ebb, if on a hundred million loan we can collect only $96,250,000, and this representing 8 per cent if we add to the interest a commission of 1¾ per cent.

Mr. Chairman, when I say that the Canadian Northern company is insolvent, I speak knowingly. I shall not refer to the company's big lines, but I will point out that this railway crosses, in two places, the county of Two Mountains which I have the honour to represent; it passes at St. Scho-

lastique and it also runs from St. Canut to St. Jérôme for over fourteen years, the Canadian Northern company has not had a single full service on that part of its line. I say not one, for in that district we have only a freight train to which is attached a passenger car and I would be justified in styling it "a cattle car." I have had myself the occasion to come before the Railway Commission to complain of this state of affairs on behalf of the residents of the St. Canut municipality.

On two occasions the Railway Commission ordered the Canadian Northern to build a station at St. Canut and to appoint an agent. They did comply and built some kind of a shed where there are neither stove, bench nor chairs for the public, in any season of the year, and they appointed an agent, a man who kept a hotel close to this shed. Since then, it has been set aside, the Canadian Northern scoffed at the Railway Commission's decision, and that was fourteen years ago; the road has been given up. Four years ago another branch line was built, a section running from St. André, Argenteuil, up to Montreal, passing through the county of Two Mountains, along the Ottawa river, St. Placide, St. Benoit, St Eustache, to allow their connecting, so they said, with the tunnel they bored under Mount Royal. Nevertheless, that section of the road is not yet opened and apparently is abandoned. The Canadian Northern had an interest in bringing that railway line towards Cartierville, St. Laurent and the tunnel. With what money did Mackenzie and Mann buy all the land in what is now called the "model city"? Where did they get the millions in order to speculate upon the Montreal lots around the tunnel they have built? From the Government's money, and to-day they want to resell them after having taken in all the profits. And it is this company, this octopus if I may so call it, which the Government intend to favour by taking over a worthless, dislocated property. Besides, all this has been proven, it is admitted, it is known by the whole people, and the people shall protest, as they know how to protest. The people will protest at the coming elections which, I hope, will soon take place, not only against that iniquitous conscription Act, but also against the measure now before us. And, by the way, I might be allowed to say that I consider the Mackenzie-Mann deal, the White Bill, such as introduced for the purchase of the Canadian Northern, far worse than the conscription Act. From the standpoint of the country's financial interests, this measure is worse than the conscription Act, for, at least, conscription may help, may contribute to aid our allies and our own overseas; but the Canadian Northern purchase will only contribute to assist Mackenzie and Mann and the rotten speculators whom we do not know, but whom we suspect of being at the bottom of this transaction.

Mr. Chairman, I stated at the beginning of my remarks that we were used to see iniquities perpetrated by the present Government; I said it was not the first one and, from what we can see, it will not be the last one either. They so well feel the weakness of the measures submitted that they are forced to use violence, to use the gag, to use the closure in order to overcome the people's representatives and to ignore their own mandate.

I see that to-day Mr. Chairman pays a special attention to the members on his left. He now glances at me, meaning that my time is over. However, last night he had a stiff neck, probably, for he only had his eyes to the other side of the House, never looking this way; but to-day, he is sharp-sighted, we cannot go beyond our twenty minutes. Well, Mr. Chairman, I am through, I bow before the order of the present Government's executioner and I resume my seat.

Mr. KNOWLES: Mr. Chairman, this measure is so far-reaching in its consequences that it is a matter for regret that those of us who have not spoken before are by the action of our autocratic Minister of Finance limited to speaking for only twenty minutes. I suppose that quite fifty Liberals have not yet spoken on this Bill, which involves our embarking upon one of the greatest policies Canada has ever entered upon. There has been no unreasonable discussion of the Bill, yet the Minister of Finance takes it upon himself to say that the people's representatives shall be confined to twenty-minute speeches. His only reason must be that he fears open discussion of this measure. If he were anxious to have this measure fully discussed, he would not resolve in his heart that at least fifty of the people's representatives should be refused the opportunity of discussing it, because you cannot discuss a measure like this, involving the far-reaching principle of public ownership, in anything like twenty minutes. I do the Minister of Finance no injustice, but rather pay him a compliment, when I say that he

would be more highly thought of in Canada if he had encouraged discussion of this measure instead of endeavouring to apply the gag and forcing it through Parliament, and it comes with especially ill grace from the Minister of Finance, a gentleman for whom many of us have a high regard, for his ability and other qualities. The fact remains, and the minister knows it just as well as we do, that in the public mind he is very closely linked up in personal friendship and financial interest with Sir William Mackenzie. The people know that; they believe that such is the case, and as a friend of the Minister of Finance, I say that it is an unfortunate thing for him that he has chosen to choke off discussion of this measure, which involves the possibility of our paying out huge sums of money to Mackenzie and Mann. I know nothing about the personal affairs of the Minister of Finance, and desire to know nothing about them, I am speaking of public matters, and I say it is a public belief in Canada to-day that the Minister of Finance is where he is because of the Mackenzie and Mann influence and the Z. A. Lash influence. I have been credibly informed that it was on the nomination of Sir William Mackenzie and the late Minister of Militia and Defence that the Finance Minister secured his appointment.

Sir ROBERT BORDEN: There is not the slightest foundation in fact for the assertion my hon. friend has just made.

Mr. KNOWLES: The Prime Minister's statement must be accepted, of course. The fact remains, however, that the public mind is convinced that the Minister of Finance is where he is because he is a pet of those interests, and the Minister of Finance would better preserve the name which he has reason in many ways to be proud of, if he were the last person to force through Parliament a measure of which Mackenzie and Mann are going to be the beneficiaries. I make that statement in all friendliness and in all manliness.

I desire to say further, that there is a suspicion throughout Canada that this Government is extremely close to the Mackenzie and Mann people and to the Canadian Northern. That is not a belief of a day's growth, but has been in the public mind for some years. There has been a strong belief in the public mind that in the Minister of Finance the Canadian Northern have a very close friend; I do not say an improper friend. It is also a common belief that in the late Minister of Public Works they have a very close friend; I do not say an improper friend. It is also a common belief that in the late Minister of Militia and Defence, and in the present Minister of Railways and Canals the Canadian Northern have very close friends. In view of the public belief that this is in many ways a Canadian Northern Government, it is unfortunate for the Government that they should force this measure through Parliament without a fair opportunity for discussion being permitted to those who desire to criticise the Bill. I would go further and say that the suspicion in the mind of the people will not, unfortunately for the Government, be at all lessened by the choice that they have made of an arbitrator. It is not for me to discuss Sir William Meredith in any personal way. I am in the habit in a humble way of appearing before judges, and I am not going to take advantage of my position in this House to say anything with regard to a judge that is unfair or in any way ungentlemanly or unmanly. But I will say this: that once a man accepts an appointment like this in connection with a transaction that is generally looked upon in Canada as a shady transaction—and Sir William Meredith knows that—he becomes a fair subject of examination and criticism. In the public interest we must ask ourselves: Is Sir William Meredith an arbitrator of whom we on this side of the House can approve? Speaking for myself, I say without any hesitation that Sir William Meredith is an arbitrator of whom I do not approve absolutely and entirely, for many reasons.

Sir GEORGE FOSTER: That will be the death of Sir William Meredith.

Mr. KNOWLES: If the minister will allow me, in my humble way, I am going to discharge my duty to the country, notwithstanding his ironical remarks.

Sir GEORGE FOSTER: Will you permit a question?

Mr. KNOWLES: I have only twenty minutes.

Sir GEORGE FOSTER: I wish to remind my hon. friend that if he goes on in this way his twenty minutes will be up and he will not have approached the question at all.

Mr. KNOWLES: My hon. friend asked me if I would permit a question, and under the belief that he was going to ask one I sat down, but as he evidently has not car-

ried out his intention I will proceed. The reasons why I do not approve of Sir William Meredith are these: We have here a stupendous task for some man—some man who is more or less versed and well informed on the question with which he is going to deal. Sir William Meredith is not versed or well informed on the highly technical matters with which he will be called upon to deal. If Sir William Meredith had been engaged for many years in the study of these questions, as the Minister of Finance or the comptroller of the Railway Department, Mr. Graham Bell, have been it would be a different thing. But Sir William Meredith is no longer young; he has reached an age when it is impossible for him to grasp new things of the magnitude of this railway problem, and do justice to it. We can be sure that the Canadian Northern will have to look after their interests men who are in the prime of life, whose minds are alert and well-versed in these matters. Any of us who have seen contests in the courts knows that it will be impossible for Sir William Meredith to do justice to the people's interests in that tribunal, and I should be failing in the discharge of my duty if I did not say that I believe that a man of the age of Sir William Meredith, who is now not far from four score, will not be equal to the great task before him. I plead even at this date with the Minister of Finance to choose some other man; for he can find some other man who would be more equal, mentally, and by information, training, and learning, to this task. The Minister of Trade and Commerce turns it into a joke, but when it comes to a question of spending $60,000,000 of the people's money, even the smile on the face of the Minister of Finance at this moment will not make me say other than that this is a matter too grave to be dismissed with a smile from the Minister of Finance or an ironical remark from the Minister of Trade and Commerce.

We have Sir Henry Drayton, a man who has studied railway matters closely, and who in his capacity as solicitor for a great corporation in the city of Toronto has no doubt become very well versed in these matters. He is in the very prime of life, and a friend of hon. gentlemen opposite; he would be incomparably superior to Sir William Meredith as an arbitrator. It is a remarkable thing that in all these commissions the Government never think of appointing anybody but friends of their own, and that is another thing I have against Sir William Meredith. It is well known that he is a Tory of the Tories he is the right hand man—the man Friday, so to speak—of the Ontario Government. It is a well known fact that for years they have taken counsel with him in all the great measures they have brought down, and that he helps draft their legislation. That is the belief in the public mind, and instead of doing anything to aggravate the suspicions of the people, the Government should endeavour to inspire them with confidence. That in itself is an unanswerable argument why a man should be appointed who is considered to be entirely dissociated from politics and from all political activity, and people have not that belief about Sir William Meredith. Whether it is true or not I cannot say, but the fact remains that Sir William Meredith is still believed to be very closely associated with the Conservative party. The Government seem to think that they must always appoint friends of their own to these commissions. But that is a source of weakness to the Government. If the Minister of Finance wishes to appoint a judge to this position, why does he not endeavour to restore public confidence by appointing a judge who is not the appointee of the Conservative party? What did the Liberals in Manitoba do in connection with the investigation into the Agricultural College and other buildings? They appointed a man fresh from the Bar. Mr. Justice Galt, the appointee of the late Minister of Public Works. If the Government want a judge they could have appointed Mr. Justice Cassels.

Mr. LEMIEUX: Hear, hear.

Mr. KNOWLES: Mr. Justice Cassels has had long experience in these matters. Although an appointee of the Liberal party, while at the Bar he was a supporter of the Conservative party. He is in every way far better qualified for this position than Sir William Meredith.

Mr. PUGSLEY: The Government would not appoint him after the Quebec and Saguenay case.

Mr. KNOWLES: It makes the public mind more suspicious than ever, and that is the point I am urging for the sake of the Government itself. It ought to allay public suspicion, and restore public confidence by reconsidering the suggestion that Sir William Meredith should be an arbitrator. The matters which have been dealt with in this debate are so long and so deep

and so big that I cannot discuss them in the ten minutes I have left. There is, however, one point about which I wish to speak, and that is if there is compensation to be paid, and I have not for a moment said that compensation should not be paid —I have quarrelled only with the system of dealing with compensation—if there is to be compensation paid we should have further knowledge of the particulars. I might say a great deal with regard to the details, but time does not permit. I do contend, however, that we should have more knowledge of the pledgees of this stock. I think it was the hon. member for Calgary (Mr. R. B. Bennett) who stated that we should have nothing to do with the pledgees. I do not entirely agree with that in any sense. We should have more knowledge of these pledgees. The companies of Mackenzie and Mann are so interlocked that it is quite possible that many of the shares of this company were pledged to the bank, together with the shares of some of their subsidiary companies. There is a lumber company known as, I think, the Big River Lumber Company, which is owned by Mackenzie and Mann. Three years ago it had over $1,000,000 credit in the Bank of Commerce. I do not know why the bank would lend a million dollars to that not very well-known lumber company. We should know what that stock is pledged for, and whether it is interlocked with some other stock as collateral, or pledged absolutely and entirely as an isolated pledge identified and ear-marked by itself as collateral or security. When the arbitrators come to ascertain what is the value of this stock, that question will be immediately presented to them. The minister will understand, with regard to the lumber companies, for example,—I forget their names, but there are many of them in British Columbia—that when the arbitrators come to ascertain the value of this $60,000,000 stock, the argument will no doubt be made to them along the line that the stock has an especial value to Mackenzie and Mann, because it gave them control of the railway, and the control of the railway helped the subsidiary lumber companies, and the other companies they owned. I hope the minister catches my point. I do not think he is paying very much attention.

Sir THOMAS WHITE: I am listening to my hon. friend.

Mr. KNOWLES: My hon. friend then is like Cæsar; he can do several things at the same time. I was going to say there is every possibility that Mackenzie and Mann will go before the board of arbitration and say " this stock we are possessed of has an especial and enhanced value to us, because it gives us control of the Canadian Northern Railway Company, and the control of that company makes our lumber companies and our saw-mills very, very valuable," and they will want compensation because of the loss caused to them by the taking away of that stock. The minister will agree that it is a well-known principle of arbitration law that the board of arbitration must ascertain the compensation to be paid to the claimant on the basis of the loss to him, but the minister should safeguard it here that it should be absolutely the market value—the earning value—that there should be eliminated from this any special value they might claim because of the fact that the control of the railway would operate for the benefit of the other subsidiary companies or industries of which they were the owners. That should be made clear to the arbitrators, so as to get rid of the evil results of these underlying securities or interests. I have only one word more to say to the minister, and I hope he will listen with an open mind. He is a young man yet, and I wish he would reform his methods with regard to making railways pay. I will tell the minister how to make railways pay.

Sir THOMAS WHITE: I will listen now.

Mr. KNOWLES: I may be wrong, but I will give it for what it is worth. My idea with regard to a railway is that it has something to sell, that is, transportation. The way to make a railway pay is to get a lot of things for it to transport. Railways are not an end in themselves, they are a means to an end. When you build a railway, you have not reached your goal. Your goal is to carry goods. If a man builds a boot factory, his goal is not only to make boots, but to get the boots sold. The way to make your railway pay is to have your transportation in demand, so that people will buy it. How will you do that in Canada, when you are prohibiting it, and strangling it, as you strangled it in 1911 by discouraging the production of wheat in our western country? The way in which you could make these three railways pay, would be to make an agricultural proposition in Canada for the production of wheat in those great zones of prairie land, and produce wheat in such quantities that the railways would have lots

to handle. Yet the Government seem to think it is their duty to adopt and enforce a policy that will prohibit the purchase of transportation, that will prohibit men from raising wheat and grain of all kinds, the carrying on of which would be the source of life to the transportation companies. If the minister will not only listen to this but heed it and put it into practice, he will do a great deal to redeem himself with regard to this proposal. If you could take things as you found them in 1911 and look back at the multiplication table, and see the way in which the wheat production runs you will see that for the ten or fifteen years prior to that under the Laurier policy it had been multiplied by ten. If the minister could have kept that ratio up, instead of choking it off, we would have had plenty during these five or six years to keep those railways as busy as they could be, and make them as rich as they could be. The way to make a success of our transportation problems in Canada is to build the country up so that the railway companies will have so much business that they will be kept busy, and the people of the country will be made rich at the same time. I am tired of this Toronto legislation, and this privileged legislation—and I do not care whether Clifford Sifton is at the back of it or not. It does not need Clifford Sifton to queer it. It is already queered. The people of Canada believe this matter is being run too much for the interests of the privileged classes, and if the minister would develop the Dominion along industrial lines, especially developing the agricultural interests of the country, he would help his railways, and would help the whole of Canada. He would help his friends the manufacturers and the large companies, just as well as he would help the farmers.

Mr. J. G. TURRIFF (Assiniboia): The railway condition we are up against now is no doubt the result of a good many years of great prosperity and development in the West. The fact, however, remains that we are up against a very serious proposition, which has to be dealt with, and to be dealt with in the near future. Under ordinary conditions, and in ordinary times, I should have favoured, and favoured as strongly as I could, that this road should have gone into the hands of a receiver, and be dealt with on that basis, letting the water out of the stock, if there is any water in it, and letting every creditor take his chances in the railway business and in that railway company as the rest of us would have to take in any business transaction into which we went which does not turn out successfully. But we are not under such conditions now, and I do not think such a course would be feasible. We have a tremendous debt facing us at the present time, which is being increased at the rate of almost one million dollars a day. We do not know when it is going to stop. We do not know what the amount of our debt will be when we get through with this war. If by allowing this railroad company to go into the hands of a receiver the result was that we had to pay a higher rate of interest on account of the black eye to Canadian credit and Canadian finance it may be the most expensive way we could possibly deal with the present railway question. On these grounds I am not at the present time in favour of this railway being allowed to go into the hands of a receiver.

There are some features of this Bill that I do not like but at the same time I am free to confess that if any one asks me to propose something better I do not know how to do it. I do not mean that I am in a position to know how to do it as well as many other hon. gentlemen in this House who have given more time and attention to the question and understand these matters a great deal better than I do. But, as far as I can make out, in a general way, it seems to me that the proposition is a fairly reasonable one.

There are two things that I want to bring before the committee that cannot be done in connection with this railway system. One is that this company must not, by any manner of means, be allowed to get into the hands of the Canadian Pacific. There is no doubt that the Canadian Pacific is a well managed business institution and that it is doing good work. I am not here to make any criticism of the Canadian Pacific railway. But those in charge of the Canadian Pacific railway have enough on their hands at the present time. The main point I want to make in this connection is that the Government will have on their hands the Intercolonial, the Transcontinental and the Grand Trunk Pacific, and it would be a calamity to Canada, in my judgment, if by any possibility the Canadian Northern, or any single branch line of that system should be eliminated instead of a part of the Government main line from the Atlantic to the Pacific, or that these branches should be put in the position of being feeders to the Canadian Pacific railway main line rather

than to the two main lines that the country is going to have on its hands. The people of Canada would not permit the Canadian Northern to become a part of the Canadian Pacific Railway system. There is another thing that the Canadian people will not stand for in my judgment. The Canadian people will not stand for any more millions being poured into the coffers of the Canadian Northern as long as it is in the hands of Mackenzie and Mann.

I am glad to know that in this House there is very little difference on the question of principle. As far as I have been able to discover in this debate, it is generally accepted on both sides of the House that the Government has to take over this road and it is simply a question of terms. There is one point that I want to bring to the attention of the Government and that is that in the interest of the people the Government has to be mighty careful that nothing is allowed to be done which under any circumstances would allow the old Grand Trunk Railway Company of Canada, either by purchase, lease, or traffic arrangement to come under the control of the Canadian Pacific Railway Company. I believe that we are going to be forced into the position of taking over all the railways of the country except the Canadian Pacific Railway, and if we have to take that position it is absolutely essential for the West that we shall have the Canadian Northern branch lines to gather freight in the West and that we shall have the Grand Trunk lines to gather freight in the East. If you have that you have something to work upon, you have a chance to put these roads in such a position that they will eventually become paying propositions. If, on the other hand, through any carelessness in dealing with this matter, the old Grand Trunk Railway Company should be allowed to get into the hands of the Canadian Pacific Railway, you would have all the gathering power of the Canadian Pacific Railway at this end and in the West, plus the gathering power of the Grand Trunk in the East, contributing to make one main line pay handsomely, while the other two main lines from the Atlantic to the Pacific would be starved.

Another thing has to be considered—it was pointed out by an hon. member yesterday—and it is that the railway companies are asking for an increase of freight rates. It was stated yesterday that they want an increase of 10 per cent, whereas, my memory is that they have asked for an increase of 15 per cent. If an increase of 15 per cent in the freight rates is necessary to make the Canadian Northern and the Grand Trunk pay, it is certainly not necessary to grant such an increase to the Canadian Pacific Railway. But, if it is done for one it has to be done for the other. You cannot give an increase of freight rates to the Canadian Northern and the Grand Trunk without allowing the Canadian Pacific Railway to take advantage of these increased rates. The result would be that we would probably be handing over $18,000,000 or $20,000,000 a year to the Canadian Pacific Railway. Under the circumstances there is no necessity for doing that. Therefore, if this proposition will cost the country something it will not cost it any more than it would if we gave them an increase in freight rates. The biggest objection that has been developed in connection with the debate so far is as to the amount that might possibly be paid to Mackenzie and Mann. Personally, I do not think there is a great deal coming to Mackenzie and Mann. I am also of the opinion that, if there is not much coming to them, under a fair arbitration, there will not be much given to them.

One arbitrator, whose duty it will be to see that not more than a fair value shall be given to Mackenzie and Mann, will be specially appointed by this Government; another will be selected by the railway company, and a third by the first two. These men will surely approach their duties with honest intention and open minds. If it is found that nothing or only a small amount is due to the Canadian Northern Railway Company, it is absurd to talk about $50,000,000 or $60,000,000 being paid out. I have a good deal of faith in the honesty of arbitrators when they come to deal with a question of this kind. I have hope that if nothing is due, nothing will be paid. According to the Drayton-Acworth report, the commissioners are not against arbitration. I quote from page LXII of the report:

> And if in recent years the Canadian Northern shareholders were carried away by a wave of unreasoning optimism, at least it may be said for them that almost the whole population of Canada shared their expectations. We think that, on the whole, the equity of the case would be met if the Canadian Northern shareholders were permitted to retain a moderate portion of the $60,000,000 of shares which they now hold.

On page LXXXVII they say:

> We recommend that the question be considered whether Canadian Northern shareholders

shall be permitted to retain a moderate proportion of the $60,000,000 shares which they now hold; that the precise proportion, if any, and the relation of that proportion to their share of any future profits of the Dominion Railway Company be fixed by arbitration.

Messrs. Drayton and Acworth, then, favour arbitration. The only difference that I see between their proposal and that of the Government is this: the commissioners favour arbitration in respect of what proportion of the $60,000,000 of stock Mackenzie and Mann should hold and what they should get in the way of future profits of the road. The Government proposes arbitration in respect of the equity of Mackenzie and Mann in the railway company and how much should be paid for the $60,000,000 of stock. I repeat that I have faith in the honesty of arbitrators appointed in cases of this kind; I feel that they will do justice to the country. If it can be clearly shown that Mackenzie and Mann have equity in the road and should be paid something for it, I do not know that anybody would be very much opposed to their receiving an amount in respect of that equity. Personally, I think it would be money well spent if a few million dollars would get rid of Mackenzie and Mann for good; if it would separate them from Canadian railways and Canadian matters generally. They have been no credit to Canada, except that they have built a big road upon the credit of other people.

The Government is adopting the principle of Government ownership of railways. Once they take over this road, the Government cannot stand still. We shall be taking over the operation of 9,000 miles of railroad in addition to the 1,400 miles of the Intercolonial, to say nothing of the Transcontinental. That means that we have to go further. Without saying anything about the method that the Government is adopting, I believe that the taking over of this road by the Government meets with the approval of the people generally. It is better to take this step than to continue to pour millions of dollars into the Mackenzie and Mann sieve. I have never favoured Government ownership of railways, but I see now that we have to take action; we have to adopt the principle of Government ownership. It is the best way out. The people whom I represent would rather have the road taken over and operated by the Government than allow it to go into receivership or continue to pour millions into it without undertaking Government ownership or control.

Mr. MICHAUD: I object most emphatically to the measure introduced by the

[Mr. Turriff.]

Government in respect to the Canadian Northern Railway. New Brunswick is under no obligation to the Canadian Northern, or to the Government, in connection with this transaction. The people of that province have kept away from this railway corporation, but I am sorry to say that they will have to assume part of the obligation involved in paying a certain amount of money to this company. I have received a resolution passed by the town of Edmundston, in my county, protesting against the purchase of this railroad. I desire to put it on record so that my electors will know that I have taken their request into consideration. The resolution reads:

Whereas the Canadian Northern Railway has been almost entirely built and financed by public money, in the shape of bonuses, grants and loans, including the loans made by the Dominion Government;

And whereas the Dominion Government are now proposing to take over the road, and to assume the liabilities thereof, amounting to some $350,000,000, and to pay Messrs. Mackenzie and Mann for the capital stock still held by them;

And whereas the Dominion Government has already loaned this company $45,000,000, taking as collateral security the assignment of 45 per cent of this stock, although the stock represents no capital investment and will have no value until the railway shall have become a financial success, which it is not.

Resolved that we, the undersigned, most emphatically protest against the purchase of a bankrupt railway at the price of a solvent concern or any payment being made for the common stock of the company; and insist that if the Government, which is now a creditor to the extent of many millions of dollars, finds it necessary to make further advances in order to protect its claims against the company, it shall safeguard the interest of the general public, whose agents, it is, by taking over the assets of the company without further payment to the promoters, who, as is well known, have already made enormous profits out of the promoting and building of the road with public money and have amply recouped themselves for any investment of their own capital and time.

The resolution is certified by Thomas Guerette, town clerk.

It was alleged yesterday by the member for Vancouver (Mr. Stevens) that members of the Opposition were influenced in some way in their attitude towards this measure. The people of New Brunswick have no influence behind them; they are not interested in this company directly or indirectly, but they will be called upon in the near future, when this measure goes through, to become responsible for a part of the $40,000,000 or the $60,000,000 that will be paid to Mackenzie and Mann. Some provinces are anxious that the Government shall take over this railroad. No doubt those provinces are

under obligation to Mackenzie and Mann; capitalists in those provinces have bought the debentures or bonds of the company. But at this moment, when everybody is taxed very highly to meet the expenses of the war, we are called upon to pay Mackenzie and Mann, two railway men in Canada, an enormous sum. In New Brunswick we have lately been called upon to tax our people to the extent of half a million dollars, and the people are called upon to-day to pay still further taxes to finance this proposition. The labour men, who work for small wages, were taxed under the municipal laws to raise this half million dollars. The people of the province of New Brunswick insist that this Bill should not be passed, because we do not want to assume other liabilities. In New Brunswick to-day we are under heavier expenses than any other province of Canada in proportion to our population, and if we are called upon to pay out more money to complete the purchase of this railway I do not know what will become of us. I have heard it alleged that some members in this House are personally interested in this measure, and that others are indirectly interested. If that is the case, I am very sorry to hear it. It reminds me of the fact that in England lately the rich people have met, and I believe have decided to make what they call an economy pudding. There are too many members of this House who have met together and have prepared the economy pudding. I am sorry to hear that, because the people of the country have lost faith in the administration of affairs by this Government.

I am against Government ownership of these railways. I have had experience of it in my own province for the last six years. I have seen railways operated by the Government, namely the Transcontinental in New Brunswick and the Intercolonial railway. It is really a shame to see the way the Transcontinental, especially, has been administered by this Government. I say that no government in my opinion can operate a railway to advantage. When the Transcontinental was built it was a first-class road, but the Government could not operate it with advantage and profit. There is to-day, lying alongside the Transcontinental from Moncton to Lévis, enough freight for export to fill 250 cars a day for a period of three months. The freight is lying alongside the line, and there is no organization to export it. Before the Government took hold of the International Railway, we had a "Daily express and good accommodation"; we knew the time the train would leave one station and arrive at the next, but to-day we have very little satisfaction in the administration of this Government railway. I am glad to say, however, for the benefit of the Minister of Railways, that, within the last month or two, an express has been established on the Interprovincial railway, running three times a week. I say that the public will not endorse the application of closure to such a measure as the one before the House. They do not think we are bound to pass a measure through without giving an opportunity to the members of the Opposition to discuss it thoroughly and intelligently. Many members of this House have protested that 20 minutes is too short a time in which to express their views on such a great measure. In conclusion, I wish to say that Mackenzie and Mann have obtained enough money from this country. The Government should have taken hold of this railway, not by means of the measure before the House, but under the authority of the statute of 1914, which reads as follows:

> If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada.

Under this authority I beg to submit that the Government does not owe one cent to the Canadian Northern. The people of the country cannot afford to pay any more money to this company, and if we have authority to take hold of it, we should do so at once, and stop making payments to them.

Mr. TURGEON: I do not very often occupy the time of the House, except when I think I should express my opinion in the interests of my constituency, and I believe that I could not justify myself before my electors if I did not state my views on this particular question. Coming from a constituency in the Maritime Provinces which is traversed by the Intercolonial, it has been my duty, on more than one occasion, to express my opinion on the operation of

railways by companies or by the Government. Many people in the Maritime Provinces are in favour of government ownership. I have always defended the system of government ownership and operation, and more particularly in the Maritime Provinces. It may be that Government ownership does not always mean proper operation, as my hon. friend from from Victoria, N.B., has said, but government ownership is not necessarily bad in itself. Bad government operation may be attributable to the Administration in power for the time being. As I have often expressed my desire to see further government control of railways, I feel that I must express my opinion on this question, so that my attitude may not be misrepresented before my constituents. I have, on many an occasion, claimed that I should like to see government control of railways extended further west, and extended, more particularly, on one transcontinental road from coast to coast. It was with that object in view that I supported the measure of the right hon. leader of the Opposition, when, in 1903, he proposed the construction, under Government control, of the Transcontinental as far as Winnipeg, in the hope that, in a short time, it would be extended practically to the Pacific coast. It has been said, and repeated very often, that the deficits on the Intercolonial have been accumulating for a number of years. We must always take into consideration the fact that, in the operation of a railway in every portion of a large country, we must be prepared to look for a deficit at the beginning of its operation. Those deficits on the Intercolonial were the result of the effort to connect the maritime ports with the producing territory of the West, and it has certainly been to the advantage of the West.

It was predicted by the great Canadian engineer, Sir Sandford Fleming, that, owing to the vast extent of territory which the railway would have to cover, it would not pay for a certain length of time, but the results which would accrue to the Dominion at large would be worth the expenditure by the country, and, if necessary, the assuming of deficits for a number of years. It was so thoroughly understood at the time that the road was a necessity that, when it was known at Confederation that, if its construction were not decided upon, there would be no Confederation. Mr. George Brown said, when the agreement was reached, that the people of Ontario would have built it themselves in order to secure the advantage of Atlantic ports. The first consideration, therefore, in the beginning of a railway is not as to whether or not it will pay; we must take into consideration what the future results will be.

There is no doubt that the Canadian Northern railway is one of the pioneer roads of the West, into many parts of which it has brought civilization and prosperity in its train. It must not be looked upon as a mere sink-hole; it has had a duty to perform. While I have often advocated the extension of Government control or ownership, I have always contended that this should be done with care and prudence, as the development and financial conditions of the country may permit. The Canadian Northern Railway Company have come before this House on many occasions. The Minister of Finance takes pleasure in recalling that it is a legacy which has been given to this Government by a former Administration, and that the difficulties which now confront him are due to what has been done by the preceding Government. One of the chief reasons for the financial difficulties of the Canadian Northern is its extension from Edmonton to the Pacific coast when we had scarcely finished the extension of the Grand Trunk Pacific from that city also through to the Pacific coast. That was the most expensive portion of the road to be constructed, and it practically paralleled the Grand Trunk Pacific. It was represented by the leader of the Opposition and by the hon. member for Edmonton (Mr. Oliver) that one transcontinental in that portion of the West was sufficient for many years, and had it not been for the grant given by the Minister of Finance at the time the Canadian Northern would not have been in the bad condition in which it is to-day.

It may be claimed that we should at once give the Canadian Northern people everything they want. In 1914 they came, as they stated, for the last time, requesting a guarantee of $45,000,000 in order that they might put themselves in a position to operate their road to the entire satisfaction of the people of Canada and of the financial men behind them. That guarantee was given to them under an agreement, by virtue of which should the Canadian Northern make default in the future, all that the Government had to do was to take over the road. The Canadian Northern put themselves into the hands of the Government and Parliament of Canada in the same way as a mortgagor in any part of the

country puts himself into the hands of the mortgagee, when, after having secured from the mortgagee everything that he can possibly get, the amount sometimes exceeding the whole value of his property, he finally comes for another amount and agrees with the mortgagee that, if he cannot pay interest at the end of twelve months, the mortgagee has nothing other to do than to take over the property and administer it as his own. That is the position in which the Solicitor General placed the Canadian Northern Railway Company in 1914, so far as the Parliament and people of Canada were concerned. I need not repeat the clause of the statute, which clause is very clear and which has been alluded to by the commissioners who have reported on the railway situation in this country. The Drayton-Acworth report at page 44 says:

> Conclusion As to Canadian Northern.
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> We conclude, therefore, that the shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern. If, then, the people of Canada have already found, or assumed responsibility for, the bulk of the capital; if they must needs find that further capital is required; and if they must make up for some years to come considerable deficits in net earnings, it seems logically to follow that the people of Canada should assume control of the property.

The royal commissioners appointed to inform the people of Canada of the exact condition of the Canadian Northern railway and other railways of Canada declared that the company having made default, the property is in the hands of the Government of the country, and all that the Government has to do is to take over the road and administer it in the best interests of the country. I cannot, therefore, understand why we should be asked to vote such an amount of money as a board of arbitrators may determine is the value of the Canadian Northern railway stock. That may be a small amount, but the Government themselves have stated that it may reach possibly $60,000,000, thus giving ample scope to the arbitrators in their findings as to what, in their opinion, may be the value of that stock. The royal commission, which was appointed by the present Government and which was composed of gentlemen of the highest experience and reputation, found that that stock is worth nothing. Nevertheless, the Government appoints a board of arbitrators and gives it carte blanche to go as high as $60,000,000, and, therefore, the people of Canada will be bound to pay that amount, if the arbitrators should so determine, and we may take it for granted that if we do not have to pay $60,000,000, we shall have to pay very nearly that amount.

The people of this country are not in a position to make gifts to any company at the present time. I have nothing against Mackenzie and Mann personally. I have never met them, and I do not know them, and I can only judge of them by the knowledge which has been imparted to me by hon. members on the other side of the House, and more particularly by the hon. member for Calgary. If I am to judge of Mackenzie and Mann by what the hon. member for Calgary has told us, I should certainly advise every man in this country not to support the appointment of a commission which might involve us in a grant of another $50,000,000 or $60,000,000 to Mackenzie and Mann.

I look at this measure from the standpoint of the financial position of the country to-day. We are not in a position to make presents to any one, no matter how great the services they may have rendered to the country. Mackenzie and Mann have no doubt done great things in the operating of railroads, but they have been well repaid for their services. We have to-day the Intercolonial and the Transcontinental under Government control and operation, and there has been a shortage of equipment on these roads for many years. It is easy for the Minister of Railways to assign the war as an excuse, but equipment was badly needed on these roads before the war. When further equipment was purchased a few years ago, it had to be divided between the Intercolonial and the Transcontinental, and neither road is sufficiently equipped to-day. If the Transcontinental had been properly equipped and properly administered since this Government came into power it would have been of great service to the people of this country. But if we are not in a position to properly equip these two roads, how can we expect to take over the Canadian Northern and operate it successfully.

The hon. member for Moosejaw a moment ago said that the economic conditions of the country to-day were chiefly due to the defeat of the reciprocity agreement in 1911. I believe many Canadians are sore in their hearts that that measure was defeated. It has been a blow to the farmers of the West, and to the country generally. Through the defeat of the Liberal Government in 1911 we have not reaped the benefit of the Naval Service Act, which, if it had been put into

force, would have given us cruisers and destroyers to help the Empire at this hour. It was a sore day, the 11th day of September 1911.

As I say, our financial position is such that we cannot properly equip the roads we have to-day. At the beginning of this session I asked the Minister of Railways if it was his intention to take over the Caraquet and Gulf Shore Railway, as branch lines for the Intercolonial, and he answered that owing to the war it was very difficult to get the money, and he would have to postpone consideration of that question till some later date. I accepted his statement in good faith. If the reason he gave at that time was good, it is good to-day. He could have taken over this railway for a few hundred thousand dollars, and many other branch lines could also have been acquired at a total cost of less than a million dollars, which would have been of great advantage to the Intercolonial railway. But if financial conditions are such that one million dollars cannot be spared for the taking over of branch lines for the Intercolonial, how can the Government expect the people of this country to support them in taking over the Canadian Northern involving this great expenditure, especially when we have not yet properly equipped the Transcontinental.

According to the Drayton-Acworth report we should have to spend $40,000,000 on the Canadian Northern for equipment, and $30,000,000 for additions and betterments in the next five years. Then there are also the fixed charges, and the amount we shall have to pay for the stock. The Minister of Finance said that the taking over of this road was the beginning of a policy of the nationalization of railways in this country. While I am in favour of the nationalization of railways, I say that Canada is not in a position to take over this road, which will be a drain on the country for many years to come. In the last resort I would rather the Canadian Pacific took over the Canadian Northern Railway than the Government, or that we gave a few million dollars to keep the Canadian Northern going for another six months or a year. This Parliament is a dying Parliament. In forty odd days it will have no life, and in three or four months a new Parliament will have come from the people with a mandate to deal with the railway question. My time is up.

Mr. D. D. McKENZIE (North Cape Breton): The question which we have to consider is so large that one approaching it with a time limit of twenty minutes finds himself somewhat in the position of the boy in the old adage who proposed to storm Gibraltar with a pistol. Time seems to be precious to the present Government, and I do not blame them for feeling at this stage of their existence that time is getting to be of the essence of the contract. We are told that there are certain species of spirits and devils that can only be handled and dealt with by prayer and fasting, and I suppose the Government realize that if they are to save their political souls, all worldly affairs should be put on one side as quickly as possible, and prayer and fasting be the order of the day for the few remaining days at their disposal. That is the only excuse which I think I could plead on behalf of hon. gentlemen opposite, for tying the people's representatives in this Parliament down to a time limit of twenty minutes. We have been pressing them hard for the last six months or so, to put the millionaires of this country within some certain limits. We were trying to get them to cut down certain lords and dukes in this country who are paying their way into titles of that character, according to the lore we get from the Imperial Parliament. We were asking that they be put upon a certain limit; but they had the cash, they had the pull, they had the power and the privilege, and they have been permitted to go on; some of them making $5,000,000 of profits out of the poor people of this country within a comparatively short period. While the power of closure was in the hands of the Government, and in the hands of the Minister of Finance, to put a closure on the profiteers of this country, they took mighty good care not to exercise it, because it would interfere with business and profits, and emoluments, and privileges, which they hoped to enjoy under the wing of these characters at a later stage of the game. When it comes down to the representatives of the poor people of this country, men who like myself are here untrammelled and unchained, free to speak for the poor people of this country, the Minister of Finance does not turn a hair in putting the closure on me quickly, confining my whole privilege to twenty minutes or less in dealing with such a great subject as this. The question of time has a peculiar turn in the hands of the Government. When it is a question of five years of Government, why it is but as yesterday in their eyes. It is like a vapour which appears for a little while and

then passes away. In their eyes it is as a snowdrop in the river, a moment white and then melts forever. But it is another thing altogether when it comes to deal with time in respect to their friends who are paying the penalty in jail for their rascalities. That is a different thing entirely. Then a day becomes as a thousand years, and the Minister of Justice goes around with tickets-of-leave and a year of Jubilee in his pockets, by which the doors of the jail are opened and those culprits are let loose upon an innocent people. When they find the country may be against the proposal they bring down, and the wrath of the people is about to break forth upon their heads, and when they know that proper and free voice of Parliament in putting the facts before the people is adding to their danger and cutting short the time within which the storm will break upon their heads, they resort to this alternative of cutting our time down to a miserable twenty minutes. Why, Sir, on the question of time, the only act of constructive statesmanship that stands to the credit of the Minister of Trade and Commerce for his six years of office is an effort to interfere with time and daylight. So, they are experts on the question of time. The hon. Minister of Trade and Commerce, finding time heavy upon his hands, and finding that the conditions arose under which he and his Government must go and give an account of himself to the people, he tried to strike on a scheme that might add a little to their time, and he started to put back the clock. The clock would yield, of course, but he found that the roosters of this country, who were in the habit of crowing at four o'clock in the morning, refused positively to crow at three. The hon. gentleman who has been accustomed to globe-trotting during the last few years, and knowing the crowing time of the rooster in India, the rooster in England, the rooster in California, the rooster in the New England states, and in New Zealand and in Australia, knew they were crowing at very different times, and he thought it would be well to introduce an Act that would bring about an amalgamation of the crowing of roosters the world over. In this, however, he failed. He found that he had to give it up, for the rooster put down his legs at an angle of forty-five degrees and said: "This far shalt thou go, and no further." The Minister of Trade and Commerce has found after all his efforts that he had to come back to the Minister of Finance and say: "I have failed in commanding the other crowing birds, you are the only bird that crows at will, and you will have to go to it." This was done, and the Minister of Finance crows on every occasion. He crows with his hat on, and he crows with his hat off. The Minister of Finance also crowed over the Secretary of State—and let me congratulate the Secretary of State, now that I have for the first time mentioned his name in that capacity. This is a union government we are having now; a union in the sense of concentrating half a dozen offices in the one man, as they evidently cannot get anybody to step aboard the ship in her present precarious condition. When the Minister of Finance was crowing in praise of the Secretary of State, then and now the Solicitor General, there was no stint in his crowing; and let me give him at least one consolation, that whatever else may be questioned about him he is the boss bully of the crowers of the whole aggregation and federation of the universal combination of the financial roosters. He is the financial crower of the roost. He crows when he has money; he crows when he has no money; he crows when he pays low interest; he crows when he pays high interest; he crows when he is going to get the Canadian Northern on the bargain of 1914, and says that it is absolutely and completely good, and that nothing can be comparable with it in the heavens above, in the earth beneath, or in the waters under the earth. You would think nothing could be more lusty than such crowing, but he comes down in three years, at another time, when there is another bargain made, and the crowing of 1914 is put absolutely in the shade by the crowing in regard to the new bargain. So you do not know when to put any confidence, or trust, or finality, in the crowing of the Minister of Finance. He crows for reciprocity, and he crows against it. He crows for free wheat, and he crows for no free wheat. In all those cases we have at least one consolation to offer to the Minister of Trade and Commerce that while he might not be able to control the fantastic notions of time as carried in the breasts of ordinary birds, he has one bird on a string that answers his every pull, and crows for the Government at every hour of the day and at every hour of the night. So much for the question of time.

We have no evidence before us to-day, and we never had any evidence that Mackenzie and Mann wanted this transaction at all. My right hon. friend who leads the Opposition asked that a committee be appointed before whom Mackenzie and

Mann or their representatives might appear and be questioned about the transaction, giving us, as one man to another, the condition in which the road stood or in which it stands to-day, so that we might know whether or not it was necessary for the people of this country to burden themselves with the enormous debt they are asked to assume. The Prime Minister said he would take the matter into consideration. This was in the early stages of the Bill. Nothing can be more satisfactory in negotiating a bargain of this kind than to have the parties face to face. Reports are good enough, but reports are prepared for a purpose. Reports are prepared and are put on the table of the House supporting the bargain and putting it in the best light it can possibly be put. There is not a man in this House who is doing business for himself who would be satisfied with information of that kind. For instance, if he were buying a house, or buying land, or buying a railway. he would ask the seller to come before him and lay all his cards on the table face up, and state clearly and definitely what was the nature of the transaction into which he asked the purchaser to enter. That would have been the proper course; that is what the people would have expected. I appeal to hon. gentlemen opposite along business lines, and I ask them if they are prepared to go back to their people and say: We have been asked to buy a railway which involves you in a debt, an undertaking on account of principal money, of something like $650,000,000 and a yearly expenditure of something like $30,000,000 or $40,000,00 to keep the enterprise going. If they tell their people that story, and if their people are intelligent, as I presume they are, they will ask them: Have you inquired into this matter; what sort of a bargain have you made; are you getting value for the money that you are spending; is the transaction one in the interest of the Canadian people? And these hon. gentlemen will have to say in reply: We know nothing about it except what we have learned from the reports which have been laid on the Table. But nine-tenths of the hon. gentlemen who are voting for this Bill and supporting the Government have never read a line of these reports, or, if they have, they have not read enough to give them any conception of what kind of a bargain this is.

I submit that we have not the knowledge of this business that we should have before entering upon such a huge undertaking. I submit that this Parliament at this stage should not be entering upon this transaction. We were elected in 1911 to serve the people for five years and to look after the affairs of Canada. In 1911 such a question as the public ownership of railways was not before the people. There was not a word about it. I have no mandate to talk here upon any question, or to support legislation, or to impose new responsibilities on the people, with regard to matters that were never discussed when I was elected to this House. Up to the end of our five years' term there had been nothing said about the question of the public ownership of railways. Our terms were up and under ordinary conditions we should have gone back to the people for a new lease of power to ascertain what their will was. The plea upon which an extension of time was given to the Government is well known to the people. It was given for the purpose of looking after war conditions and nothing else except the ordinary routine business of the country. I submit, Sir, that we are here now by virtue of our own vote, by our own authority, and that we have no business to start out upon new and unbeaten paths and strike out upon a policy that never was submitted to the people. When this question came before the Government the business answer to the parties interested would have been: We are here by virtue of our own votes, we are here simply for a year helping along war conditions, and it is not our right to start out upon a new condition of things which was never submitted to, and never approved of, by the country. Instead of that, we are launched upon this new idea, this new experiment.

Hon. members from the province of Ontario have always said that the Intercolonial was a failure, that it was a millstone around the neck of the country, that it was a drain on the federal treasury, and I am sure that I can gather from their speeches that they would all be willing to get rid of that railway proposition. If that has been the experience of hon. members in this House with respect to the Intercolonial—I do not agree with their position at all—why then, without consulting the people, and with the meagre information we have before us, are we launched forth upon a project which means the taking not merely a line of the length of the Intercolonial but of nearly nine times the size and fifty times the obligation upon the treasury of this country which the acquisition of this road implies? That is a reason why we should not be launched upon this new idea and policy until we have had an

opportunity of consulting the people about it.

While the government ownership of railways may be all right in itself, I am not at all in favour of it. I believe that the success of any enterprise is more assured in the hands of private individuals than in the hands of the Government. We have the example of the Canadian Pacific Railway itself. It is not a government-owned railway. I cannot talk from experience very much about this railway but a number of speakers in this House have claimed that it is the greatest success among enterprises of its kind to be found anywhere in the world. If that road has been such a great success and such a great agency in the development of this country under private ownership, if it is getting along and paying back everything that it has a right to pay back to the Government, and if it is paying its way splendidly as it goes along under private ownership, what is the matter with another road alongside of it and passing through much the same territory, if kept within proper limits, operated under private conditions and by proper management, making the same success as this great undertaking? The experience in this country is that you do not find enterprising and far-sighted railway men conducting railways under public ownership. Apparently the reason is that personal advancement, as a result of ingenuity and enterprise, is not so rapid or assured on a government-owned railway as it is on a railway which is privately owned. Anybody who has managed a railway will agree with me that if a railway is looking for a first-class live manager it will go to a privately owned road where personality and individuality in the management are encouraged. One of the great drawbacks in connection with the government-owned railway is that men who are hired by the Government simply become a part of the machinery and move along at the slow pace that that machinery demands. Be that as it may, I want to point out that if we were going to take this road over we should have done it under the conditions and arrangements that were made in 1914. Then we had the assurance of the Prime Minister, the Minister of Finance and the Solicitor General that everything was in readiness to take the road over if default should be made. I want to impress upon these gentlemen who have put their words on record and given us that assurance that the people expect them to carry out their promise. They were acting for the people of this country and they have no right to change the conditions of the agreement of 1914 without consulting the people.

The Secretary of State, who was then in charge of this measure, said that everything that the Canadian Northern owned had been put in the hotchpotch, absolutely under the control of the Government. There it stood; out of that it could not go; if default occurred, we had the whole thing. We hold hon. gentlemen to that bargain; if they make a worse one, they are not keeping faith with the country.

Some hon. MEMBERS: Time.

Mr. McKENZIE: I am sorry that my time is up, for I have done nothing more than touch upon this great question.

Mr. GUTHRIE: I rise to give the conclusions which I have reached in regard to this important measure. I agree with the last portion of the remarks of my hon. friend (Mr. McKenzie) who has just spoken I so voted on the amendment offered upon the second reading of this Bill by the member for South Renfrew (Mr. Graham). I thought that the legislation of 1914, particularly section 24, was binding upon me as a representative of a constituency in this Dominion. When the statute of 1914 was placed before the House it was made in very express terms, so express as to take away what might be the ordinary rights of mortgagors before the courts of law and equity of the land. That section provided that in the event of default the Government of Canada might take over the road, foreclosing absolutely all rights of the proprietors of the road, and of other persons if any, notwithstanding any statutory enactment or any rule of law or equity to the contrary. In view of that enactment, I felt it was my duty to vote for the amendment proposed to the motion for the second reading of the Bill. But this House saw fit in its wisdom to defeat that amendment, and I have now to decide, according to the best judgment that I can exercise on the matter, what disposition should in my opinion be made of the Canadian Northern railway, having regard only to the interests of the people.

I believe that the people, had they had an opportunity of expressing their opinion upon the question, would in very large majority support the proposal for government ownership of the Canadian Northern railway at the present time. I know that that is the feeling of the people in that part

of Ontario from which I come. The people believe and I believe that the time has come when the Canadian Northern railway should be taken over by the Government, whether in pursuance of a definite policy of government ownership, or merely on account of the financial assistance that we have hitherto given that road. It is true that there are other ways of dealing with the Canadian Northern railway. There is the method of putting the road into the hands of a receiver, who would attempt reorganization of its affairs. I would not hope for any good results from such a proceeding. The first difficulty that the receiver would meet would be the question of additional capital. The infusion of new capital is necessary before reorganization of the road can be attempted, and if the figures submitted to the House are correct —and I believe they are—any new capital taken in would come from one source only —the Government of Canada. I believe that the Government has already a sufficient investment in the securities of the Canadian Northern Railway Company. I do not, therefore, favour receivership. Then there is the method of proceeding under the winding-up clauses of the Railway Act. That does not commend itself to my judgment either. True, it is a logical way of proceeding; in ordinary circumstances it would be the proper way of winding up such an enterprise. But the ramifications of the Canadian Northern Railway and the amount of capital involved are such that this method would be too slow, too tedious. Moreover, when the road should be offered for sale under the Exchequer Court judgment, only one corporation in Canada would be in a position to buy it. For these reasons, I do not favour proceeding under the winding-up clauses of the Railway Act. There is no other alternative than that proposed by the Government.

The Government's proposal is not as good as the proposal embodied in the amendment of the member for South Renfrew, but, believing as I do that the Government's proposal means the nationalization of that road, its acquirement and operation by the people, I feel bound to support the Government in this measure—having regard to the fact that the proposal which I myself would have preferred has been voted down by a substantial majority. I have no fear for the result of an arbitration; I believe that questions are, perhaps, more fairly arbitrated than they are judicially decided. I am confident that the arbitrators will arrive at a conclusion fair and adequate as between the parties. If the proprietors of the Canadian Northern Railway still have a real financial interest in this road, I do not believe that any man would seek to deprive them of it. If they have no financial interest in the road—and the Drayton-Acworth report says that they have none—then the arbitrators will so find. I cannot conceive that any injury will be done to the people through submitting to arbitration the question of what interest the proprietors still have in the road. This legislation eventually will vest the road in the people of Canada; it will be part of a Government-owned system. The people whom I represent feel strongly on the question of Government ownership of railways. While I believe that we might well have depended upon our statute of 1894, and the covenant of the proprietors of this road, I am quite satisfied, in view of the fact that that proposal has been rejected by a majority of the House, that the present proposal should become law.

Mr. L. A. LAPOINTE (St. James, Montreal): I feel constrained before the Bill passes to say a few words in explanation of my attitude towards it. The district which I represent should, it seems to me, express its opinion upon this measure through me as its representative. I first desire to take exception to some statements made by the Minister of Finance (Sir Thomas White), who on one occasion said when discussing the measure:

> The fundamental issue of the transaction which is now before the House is that the Government of Canada is acquiring a great railway system. It is the beginning of public ownership of Canadian railways—I do not say of all Canadian railways; but it is a great step forward.

I take exception at once to this proposition of the Minister of Finance, because I believe that the nationalization of one railway at a time. and another railway at another time, is wrong, although I would be inclined to the opinion that it would be a good thing, and in the interest of the country at large to nationalize all the railways at the same time. If you begin by the nationalization of one railway or another, it means the competition of public money against private enterprise, so that the money of the people will be spent in operating a railway to compete with another railway which is run by private investment. This idea is condemned, even in a country, like Australia, where everything has been nationalized. They took one great

railway man from Montreal, Sir Thomas Tait, to effect the nationalization of the Australian railways, and he has made a great success of the nationalization of the railways in that country. My first objection, therefore, is that I think it is a mistake to attempt to nationalize only one railway. My second objection is to a statement of the Finance Minister when he says:

> The question of purchasing the $60,000,000 stock owned by the majority shareholders is really a secondary and subsidiary question.

A secondary question, a mere bagatelle, a small affair, and the minister does not seem to care. He proceeds to say:

> We must acquire the $60,000,000 par value of the Canadian Northern stock, in order to get control of the system.

I differ from the Minister of Finance. He knows perfectly well that it is not necessary, under the circumstances, to buy $60,000,000 stock of the company in order to get control. He has been connected with many companies where there must have been disagreements among shareholders, and in which somehow or other one party of shareholders got control of the majority of the stock. I think the Finance Minister is wrong in arranging to buy $60,000,000 of stock of the company. Immediately before the words "$60,000,000" in the Bill we find the words "par value" in brackets, par value would mean $100 a share, and this might be taken as a suggestion to the arbitrator that that figure might be fixed at par value. I differ with the hon. minister because I believe that no practical man would make such an arrangement as is set out in this Bill. I would advise the minister, in the circumstances, to expropriate from Mackenzie and Mann, who have in round figures $58,000,000, the amount of such stock which would be sufficient to give the Government control of the railway. The Minister of Finance holds, in trust for His Majesty, $40,000,000 stock in the railway. That represents 400,000 shares. A practical man would say that, as the Government has already 400,000 shares, they would simply acquire sufficient additional stock to give them control of the road. Why should the Bill not read in this way:

> His Majesty will acquire 100,000 shares and one share more.

One hundred thousand shares would mean $10,000,000, and one additional share, $100, would give the Government control. The hon. minister understands that calculation very well, because he knows that one share additional will carry control. The hon. minister proceeds with this Bill and pays no attention to the argument of my hon. friend from Calgary (Mr. R. B. Bennett) about the pledgees. Hon. members heard the great opposition that he made to the word "pledgee." What does that mean? Did the hon. member for Calgary know that Mackenzie and Mann held $58,000,000 of the stock, and that the Government required $51,000,000 to get control; that, besides, there was $2,000,000 held in hand for certain officers or employees, that there was $1,600,000 deposited in the province of British Columbia, and $4,014,000 held by Mackenzie and Mann, Limited, pending uncompleted financial arrangements for distribution? What does this $4,014,000 mean? It would not harm Mackenzie and Mann if the Government had said: "We will take this $4,014,000 of stock." It would have left only $7,000,000 to be expropriated. I do not concede there is any value to that stock. But we have never heard that Mackenzie and Mann put any money in that enterprise. The stock came to them in the ordinary way as promoters, I suppose. They first allotted to themselves $10,000 worth of shares each; $10,000 to Mr. D. B. Hanna, and $10,000 to Mr. E. R. Wood. Mr. R. J. Mackenzie has $10,000 worth of stock and Mr. Z. A. Lash, whose name has often been mentioned here, has only $2,000 worth, and several others have also $2,000 each.

You will not, by expropriating 100,001 shares, put these men into bankruptcy. They will hold the balance of their shares just the same, but we may punish Mackenzie and Mann who are both guilty in this affair. We shall take away from them in round figures $10,000,000 worth of stock, and they will not lose one cent by the transaction.

I call attention to these remarkable words of the Minister of Finance in one of his speeches:

> This transaction, although it is a large one, is a comparatively simple transaction.

In the first place he said that it was a large one. Yesterday he said that it was a secondary affair, a mere bagatelle. Yes, a very simple transaction to put on to the shoulders of the taxpayers of this country a burden of millions of dollars when he had this opportunity, as he himself explained in the same speech:

> The Dominion Government is already—and this fact, I am afraid, is lost sight of in this House—the owner of $40,000,000 stock of the Canadian Northern Railway Company; that is to say, we are a minority stockholder in that company. There are $60,000,000 par value of shares still outstanding. Instead of con-

tinuing assistance to the company, as we have in the past, we say that we will acquire the $60,000,000 of shares outstanding, thus making the Dominion Government the sole shareholder.

The same principle could be invoked by the Minister of Finance to become the owner of the company by securing a majority of the shares. The Government, after having got control of a majority of the shares, could appoint a receiver or some one to administer the affairs of the road, or it might be left in the hands of the Minister of Finance. In that way, we would get rid of paying salaries to a president, vice-presidents, secretaries and so on, who under this legislation may be continued in office, who will yet have something to say in the administration of that railway. In that way we would save the country from the expenditure of a great deal of money, and we would inflict punishment, if there is any possibility of doing so, upon Messrs. Mackenzie and Mann, because we would not expropriate out of the $58,000,000 worth of stock any shares but those of Messrs. Mackenzie and Mann necessary to secure control. Those men in Montreal who affixed their names to a petition which was sent to this Government, are men who would not attach their signatures to such a document without having first carefully examined the situation. I am not afraid to compare the business men of Montreal with those of Toronto. If my hon. friend from St. Antoine (Sir Herbert Ames) were here, I would ask him if he would dare to discredit any one of them. He knows them as well as I do and perhaps a little better than I do because they are more particular friends of his than of mine. I am surprised that the hon. member for St. Antoine has not opened his mouth in regard to this question when he knows that such influential men as these, and papers such as the Montreal Gazette and Montreal Star have been coming out publicly against their own friends in the Government, expressing opinions adverse to the Government in connection with this transaction. In such a case, I would think the hon. member would cast partisanship aside and speak for his constituents.

Some hon. MEMBERS: Time.

Mr. L. A. LAPOINTE: Wait. I am not through with you hon. gentlemen who call out "time" and "gag." Although you may gag me to-day, there is one thing we are sure of, you will, as a moribund Government, have your turn.

The CHAIRMAN: Order. The hon. member should address his remarks to the Chairman and not to hon. members.

Mr. L. A. LAPOINTE: When I am addressing the Chairman of the Committee, I am at the same time practically addressing the Government. You, Sir, will call me to time in a few minutes. Remember, Sir, that you will soon have the "gag" yourself. On the 7th of October next the Government will have the gag; they will have to go to the country as they should have done long ago. The audacity of a government to propose such measures on the eve of an election is—well, I leave it to you, Sir, to say. The people will speak at the proper time and will say exactly what they think of such an important transaction being undertaken in the last moments of a moribund Government and a moribund Parliament. I cannot speak to any elector of any constituency in Montreal who does not put this question to me: When is the election coming on? Are this Government going to dare to do anything before they come before the people? Yes, the Government are ready to do anything, because they believe that after themselves there will be the deluge.

At six o'clock the committee took recess.

After Recess.

The committee resumed at eight o'clock.

Mr. LAPOINTE (Kamouraska) (translation): Mr. Chairman, my most serious objection against the Bill now before us is similar to the one which I raised against the Conscription Bill passed in the course of this session.

Parliament, as it is now constituted, has certainly no authority to adopt a measure of such an extreme importance. We are now sitting, not in virtue of a mandate from our electors, but by reason of our own act, ratified, it is true, by the Imperial Parliament, but unsanctioned by the popular will. Those who are sitting with me on this side of the House know that, last year, I was far from favourable to the proposal of extending the life of the present Parliament. However, as it appeared to be the desire of the majority of the people in the other provinces of this country that there should be no elections during the war; as such a representation was made to us, we did not want to be alone to oppose what then seemed to be the will of the people or, at least, what was represented to us as being the popular will. As my colleagues,

I voted in favour of that extension, but upon one condition: It was then stated to us and we were promised by the Government, by the Prime Minister himself, that, in this Parliament the life of which was thus prolonged, no contentions measure would be submitted to the House; that we should only take up measures having some connection with the war and of such a nature that they could command the aid and obtain the support of all the members of this House. We have assented to that extension by reason of that promise on the part of the right hon. Prime Minister and in pursuance of a well defined agreement. The present Parliament does certainly not represent the majority of the country. It is not a representative House. There are at least twenty-five vacant seats. Several members are drawing from the Government salaries for military or other functions; twenty seats and over should be, in pursuance of the redistribution Act, passed a few years ago, now occupied by representatives of the people, but they are not, and I think I might well quote these words applied by a French writer to the French chamber of deputies at a certain epoch of its history: "The nation is reflected in this House as in a broken mirror." Under such conditions, is it fair, is it reasonable, is it constitutional, is it even decent to come to the House of Parliament and ask them to adopt a measure whose effect will be to increase our national debt by an amount of $653,246,949.39, according to statistics compiled by my hon. friend from Pictou (Mr. Macdonald), which were laid before the House yesterday, an increase which will carry this country's total indebtedness to the fabulous total of $2,248,538,000.41.

I contend that this House has neither the mandate nor the authority to pass such a measure.

Now, this action on the part of the Government becomes even more arbitrary when it is accompanied by the rigorous application of the rules of this House which are actually imposed upon us. It is assuredly tyrannical—I believe the word is still within the limits of moderation—to employ the gag in order to have such a measure passed by a Parliament such as we constitute just now.

What did the Prime Minister say on August 7, 1917, when the resolution preceding this Bill was introduced into this House?

The leader of the Opposition asked that a committee be formed in order to consider the very proposal now before us. And the Prime Minister said:

> What I suggest to my right hon. friend is to study and perhaps to adopt the proposed resolution in Committee of the Whole. Then, we could examine his idea before the second reading. It is desirable, of course, that all the necessary information in connection with the matter should be supplied, but the debate which will take place on the proposed resolution may also take place in committee, after the second reading. There is no reason why it should not be done in either case.

Mr. Chairman, it was upon that promise from the Prime Minister that the House assented to the adoption of the resolution in the committee, and, when we did come to that stage in the Parliamentary proceedings, where the Prime Minister said we would have all the required latitude to discuss this Bill, scarcely had three or four members, on this side of the House, criticized the proposal, when the Government imposed the closure on us and prevented any further speech on our part.

When, for the first time in Canadian parliamentary history, this Government had the regulations of this House so revised as to have the right to impose closure and restrain the freedom of speech of which we had always been so proud, in the course of the observations I then made upon such a proposition, in 1913, I spoke as follows:

> The resolution which we are asked to pass will put in the hands of some ministers a dangerous weapon. That weapon will be still more dangerous when such ministers owe their position to lobby wire-pulling, to services of a suspicious character ,to a deep knowledge of intrigue.

Mr. Chairman, I did not believe, or rather, I foresaw even then what might happen after such a tyrannic resolution as the Government forced this House to adopt, and what we are having here to-night is the result of the attitude then taken by the Canadian Parliament. There is an attempt made, Mr. Chairman, to prevent the discussion, on its own merits, of the Government's proposition, by putting up the theory of the nationalization of public utilities and railways. As far as I am concerned, I am not an out and out supporter of State ownership, probably because I have known too much about the Intercolonial administration. I represent a county tributary to the Intercolonial and I have always lived along the Intercolonial, I am conscious of all the drawbacks inherent to that system. Many object to a railway being administered by the Government service. In theory, it may be possible that, under certain conditions, such a system would prove advantageous, but why discuss to-day that phase of the question, when the members on this side of the House have not attacked the principle of State ownership, but have rather assailed this

Bill for the manner by which this railway is intended to be taken over.

In 1914, Mr. Chairman, when a loan of $45,000,000 was granted by the Government and Parliament to the Canadian Northern, the Prime Minister and the Government pretended they had protected the country in a most complete way. The Prime Minister, then said that, were Mackenzie and Mann, or the Canadian Northern to be in default, the procedure would be a very summary one; we would only have to take over the railway, everything was ours, and there was no difficulty in the way; we had nothing to pay.

I should like to quote the Prime Minister's words in this connection, but as my time is very limited, owing to the Government's kindness, I do not care to further limit it, by quoting what he said. It can be found at page 3438 of the Hansard of 1914. We were to take over the whole Canadian Northern property without any judicial procedures; everything was to be our own, the moment the promoters were in default.

Wherefore this present change of front? Why refer to arbitration a property which the commissioners appointed by the Government have declared to be utterly worthless?

The Minister of Finance tells us: "The country will run no risk, should the stock be worthless; the arbitrators will say so, and Parliament and the country will lose nothing thereby."

It should not be forgotten, Mr. Chairman, that the very next day following this speech of the Finance Minister, his friend, Sir William Mackenzie, in the course of an interview given to the press of the country, stated that the Canadian Northern stock was worth 100 cents in the dollar.

It is evident that, in this transaction as in that of 1914, we can see the skilful hand of Z. A. Lash, the man who has succeeded in guiding the Canadian Northern and Mackenzie and Mann out of the legal maze they have been going through ever since they started their concern. And the words of the hon. member for Calgary (Mr. Bennett), in 1914, can again to-day be applied to the Bill now before us: "It is the voice of the Government which we hear but it is Zabulon's hand that we feel."

We are told that the country will be protected because of the appointment of a distinguished justice, Sir William Meredith, I have nothing to say against the knowledge, the honour and the integrity of Sir William Meredith, except that it begins to look strange that he should always be appointed by this Government or by the Ontario government, whenever either of these governments has to appoint any commissioner.

As to this appointment, I also wish to point out that the present Government, in this case as in several others, does not treat Parliament as it should be treated; the members, the people's representatives, are most unceremoniously treated by the present Government.

We are informed that Sir William Meredith is appointed arbitrator for the Government, when this Bill is not even up to its second reading. Without knowing whether the members will ratify this Bill, the Government have already appointed their arbitrator.

What the Government is now doing, they also did in connection with the Military Service Bill. That Conscription Act had not yet been passed by the Senate, nor had it been sanctioned by the Governor General when, already, treating the House in a most unceremonious manner, the Government were busy organizing the exemption tribunals and asking the members to meet the Justice Department's emissaries in order to deal with the best means to be adopted for the enforcement of an Act which had not yet gone through all the regular stages. I have just said that all these measures were taken and that the law was not sanctioned by the Governor General, and, on this subject, I may point out to the House that I have just seen in this evening's papers that the compulsory military service Act has received to-day the Governor's sanction, in Toronto. It was, indeed, according to the eternal fitness of things that this iniquitous Bill should be sanctioned in that very city of Toronto.

The Bill now before us can well be compared with the act of the right hon. Prime Minister when, waking up one fine New Year morning, he decided that our forces were to be increased to 500,000 men and that, before such an Act were ratified by the people's representatives. This would not be tolerated in any other constitutional country. There must be a margin between the legislative and the executive power, and that margin is the safeguard of the rights of the people. When a Government assumes the right to govern in such an absolute and arbitrary way, when the people no longer count for anything, as has been the case in this country for two or three years past, the country's fate is certainly in peril and it is fit that the people should wake up and realize where they stand.

Some of my colleagues have referred to the condition in which the province of Quebec finds herself as regards this Bill. It is

a sure thing that this Bill does not give justice to our province, because she has always kept aloof from the financial organizations and extravagances of Messrs. MacKenzie and Mann. Manitoba has guaranteed bonds for the sum of $24,059,446; Alberta, for the sum of $35,349,000; Saskatchewan, $18,590,000; Ontario, $7,860,000; British Columbia $47,965,000 and the population of the province of Quebec, whom I represent, together with my colleagues, is called upon to pay also her share of the various amounts which the different provinces of the Dominion have assumed as their own liabilities, while we have always kept aloof from all those undertakings. There is evidently a relationship between this Bill, the Conscription Act and that coalition proposal which is being discussed since several weeks in this country. The magnates who are behind this Canadian Northern proposition, who are interested in it, who are in the coalition, are the very men who cry loudly for the enforcement of conscription? The same may be said of Sir Clifford Sifton, this Knight-errant of finance and politics. We shall then have in Canada what might be called the Canadian Northern scandal, as France had her Panama scandal, and as we already have had the Canadian Pacific scandal. It is the scandal of the Public Treasury dilapidation, and it was our duty to struggle on until the Government imposed the closure thus compelling us to end our speeches.

Still one more remark, Mr. Chairman, for you seem to be most attentively watching the chronometer, and several members opposite have even gone further and have plainly told me my time was over.

I am anxious to mention the fact that the country takes over the Canadian Northern debentures, that is to say that it is being saddled with a debt of $600,000,000, and that however, we leave the physical assets in the hands of Mackenzie and Mann. Here we have men who have built a railway, thanks to the gold of the Federal Government, of the provincial governments and of the Canadian municipalities; who have put their concern on the verge of bankruptcy and who come and tell us: We are no longer able to operate our railway, we are in bankruptcy.

The Government, after supplying part of the funds, and seeing the provinces and municipalities as well, contribute towards the building of the railway, the Government, I say, must purchase the property built up through the spending of these moneys, after Messrs. Mackenzie and Mann have made use of them to build up their scandalous fortune. Nevertheless, we propose leaving Mackenzie and Mann in charge of the undertaking they have led into bankruptcy. They have established a system which has given them a chance to exploit all the country's resources; they have laid their hands upon all that this country could yield and produce; they have bought newspapers when they felt the need of it; they have lent a hand in the formation of Governments; they have selected ministers. Every one knows this to be the truth, it is no idle rumour; every one in here knows it, in the country, their influence has been prodigious, they are multimillionaires and we are going to continue, after making them wealthy, to entrust them with the management of what will have become our own property.

It seems to me most elementary that the Government should have said to Sir William Mackenzie and to Sir Donald Mann; If you have so much confidence in your enterprise, do as Sir Donald Smith, Mr. Stephens and other builders of the C.P.R. have done; invest in your enterprise your own millions, help along the enterprise yourselves and do not come and ask us to save it, when you yourselves who have put it into bankruptcy, after having become millionaires out of it.

Mr. Chairman, I will not impose any longer upon your kindness; I might say, as my hon. friend the member for St. James (Mr. L. A. Lapointe), that, if we are gagged in the Canadian Parliament, there is a thing that can't be stifled, that is public opinion

We are convinced that we represent here the opinion of the country, the opinion of the electorate. We will go back to the people in full confidence and we are sure of their support in the battle we are fighting just now.

Mr. GRAHAM: Before this Bill is finally rammed through committee I want to say two or three words. I expressed my views fairly explicitly, I think, on the second reading of the Bill, but I consider this an opportune time to emphasize very briefly what I have perhaps said before. We have heard a good deal about the nationalization of railways. The Government has harped on that string pretty strongly at times, but I am not sure that, if the acid test were applied, my hon. friend the Minister of Finance would prove to be a public ownership man himself. I should not like to crowd him too closely for fear he might fall from grace and express his real views on this question. The

nationalization of railways and of all public utilities is a policy that has made rapid advancement, and possibly Ontario is as far advanced in that line as any of the provinces, but I submit that the question of the nationalization of the Canadian Northern Railway plays but a very small part in the considerations which led up to the taking over of this system. The railway situation in Canada is one that demands attention. It has been pointed out by several hon. gentlemen that there are two or three ways in which relief can be afforded or a remedy applied. Speaking for myself, I am not averse to the taking over of this system under certain conditions. If the Canadian Northern were paying its way at the present time, I would urge the postponement of consideration of taking over the system at least till the war was over, and we had some idea what our future responsibilities would be. I am inclined to think, although we have no proof that Mackenzie and Mann themselves have asked for this legislation, that the Government would either have had to give them a grant or make some other disposition of the system.

As outlined in what I had the privilege of stating in this House some days ago, I am rather against the idea of a receivership. I know that a great many of the ablest financial men in Canada take a different view—at least I have been very sharply criticised in correspondence for taking the position I did in regard to a receivership. Still, as the governments, both federal and provincial, have guaranteed many of the securities of the road I cannot get away from the idea that it would not be a good thing for Canada just now to allow a system whose securities we have guaranteed to get the name of having gone into the hands of a receiver.

Now we come to what has been done. I have no hesitation at all in saying that I oppose this measure. and am prepared to oppose it at every stage unless the Government will take some other method of transferring the Canadian Northern system to the people of Canada. It has been argued very strongly by some hon. gentlemen that it would be unfair to take the property of any man without giving him an opportunity at least to state his claim. That in itself sounds fair, but in this case the company has contracted itself out of any claim, and has done so knowingly. It did not make that contract without a price, and the price was the guaranteeing of bonds by the Government to the amount of $45,000,000. This question seems to have got so far into the political arena that hon. members of this House who ordinarily view affairs from a business standpoint decline to consider this question as a business man would. If such an agreement had been made between any two men in this House it would have been carried out without any question of hardship arising; the contract would have been carried out as a matter of course. The argument has been made, and has been dilated upon, that the legislation of 1914 did not contemplate the taking of the equity of redemption without compensation. For the life of me I cannot see how any person can consistently argue that; for every utterance by members of the Government that has been quoted in this House from Hansard points in exactly the opposite direction. Over and over again the fact was impressed upon us in this House that if the legislation of 1914 were allowed to go through, this country, through the Government, could without process of law take possession of the Canadian Northern system should default take place. The Government had that contingency in its mind, because in the Act of 1914 it provided the whole machinery by which the road could be kept running after it had been taken over on default.

If hon. gentlemen will read section 22 they will instantly see that it provides for the operation of the line. So, clearly, there was no question in the minds of the Government as to what would happen if default took place. If the Government's present contention were correct, it would not have provided that machinery, but would have waited until to-day to do so. Let me read what section 22 says:

> Upon the happening of any event of default and at any time or times while the same shall continue, it shall be lawful for the Governor in Council after such notice to the Canadian Northern as the Governor in Council may direct, to declare to be vacant the offices of the directors of the Canadian Northern and of any of the constituent or subsidiary companies which may be subject to the legislative authority of the Parliament of Canada, and to appoint a board or boards of directors in lieu thereof respectively (any former director being eligible for appointment).
>
> 2. The power of appointment herein conferred upon the Governor in Council shall be a continuous power and shall be exercisable from time to time and so often as any event of default may exist and be continuing.

I want to call the attention of the committee to the fact that the Government not only provided for the taking over of the road, but provided in detail in the statute all the machinery for taking it over auto-

matically. Nothing can be clearer. It was distinctly understood by the Government and by every member of this Parliament that the Canadian Northern contracted itself out of any equity of redemption in the stock.

But let us look at the marginal note on section 24. The legal officers of this government surely understand what they are doing, and in a marginal note they interpret the section. Let me read the interpretation placed by the Government of Canada, through the officers of the Justice Department, I presume, on section 24. The marginal note is: "Equity of redemption foreclosed on default and vested in His Majesty." As a layman I need not argue any more. I submit the interpretation put upon section 24 by the Government officers themselves is full justification for the statement that in the passage of this Act of 1914 the Government never dreamed of giving any person anything for the equity of redemption in this stock. Let me go a little further. There is in this Act the word "pledgees." It may seem insignificant, but the hon. member for Calgary (Mr. R. B. Bennett) put his finger on the spot the other night. I submit, Sir, that if there were no pledgees of this stock there would be no legislation of this kind this session, but that the statute of 1914 would be carried out as it was to be carried out, and the property of this company would be the property of the people of the Dominion of Canada through the foreclosure provided under section 24 without process of law. The common stock of the Canadian Northern Railway system has been pledged for certain loans, and the enactment we are now discussing is, in my humble judgment, to provide that the security which at the present moment has no value and is held by those pledgees shall be made valuable through this legislation. I submit further—and perhaps I may take issue with some of my friends on this—that the arbitration clause in this Bill is not for the benefit of Mackenzie and Mann, but for the benefit primarily of the pledgees to whom Mackenzie and Mann have pledged this stock. Without this legislation that stock would probably have no value for many years to come. The Drayton-Acworth report provides for Mackenzie and Mann as individuals by suggesting that a certain amount of the common stock of the Canadian Northern Railway system may be given to them. This would be common stock to be issued by the company formed under the recommendation of the commission, but it would be common stock of the Canadian Northern. They suggested that to recompense Mackenzie and Mann as individuals for the work they have performed, a certain amount of this stock might be given them, and while this stock was not at present valuable it was their hope and their belief that in the years to come it would be of some value, and it might serve as a recompense to Mackenzie and Mann as individuals. That, however, would not have suited the occasion, and the pledgees would not have an actually valuable security, consequently, Mackenzie and Mann are an excuse, but the pledgees are the real men behind the guns. I am talking very plainly, because I believe what I say to be the truth. If the Government had desired to give Mackenzie and Mann something as the holders of this stock, they should have done it directly, in a moderate way, or made a suggestion to that effect, and allowed them something for the great work they have performed in the building of this road. But that would not have protected the pledgees, and the common stock those pledgees hold now as collateral for a big loan would have been worthless, and it would be the bankers, not Mackenzie and Mann, who would have to lose. I submit again, this legislation is for the protection of the pledgees rather than for the protection of Mackenzie and Mann as individuals. I believe that under the legislation we are now passing the pledgees will be entitled to have a say in the appointment of the arbitrators. Consequently, the men with whom we are dealing for five-sixth of this stock are not Mackenzie and Mann, but are the pledgees of Mackenzie and Mann, and they will have more to say about this arbitration than will the principals in it. I do not know how much this arbitration may award; it may be a large amount, but my hon. friend from Calgary asked the Government the other night if it would not be wise to make a provision in the Bill by which the Government might refuse to accept the award of those arbitrators if it were considered extravagant. If my memory serves me—and I think it does—some member of the Government intimated that this would not be an unwise provision, but so far I do not see anything to show that the Government is going to put it into effect, as I believe it should do. This arbitration may bring in an award of $40,000.000 or $50,000,000. There is nothing in the directions given to the arbitrators to prevent them from coming

to such a conclusion. I asked the Minister of Finance about a certain report that had been made by the directors. That report will undoubtedly come before the arbitrators in some way, and if it is of the nature I believe it to be, it might possibly influence the result of the arbitration to a very marked degree. I shall not discuss the personnel of the board. I have been told that Chief Justice Meredith is to be a member of it and that Mr. Lash is to be a member. I do not know whether that is correct or not. I will say, however, that I am entirely against this proposal as it is put forward. I believe the time was opportune and ripe for taking over the Canadian Northern under the contract we made with them and they made with us, which was set forth in the statutes. That is the only way the road should be taken over. As I said before, I am very firmly of opinion that if there had been no one but Mackenzie and Mann in question—if there had been no pledgees —this property would become ours in virtue of section 24, which provides for foreclosure without process of law. My objection is just as strong to the method of taking over the road as it was in the first place, and it will continue to be so until this Bill passes out of the House of Commons. I shall have to sit down very shortly, but before I do so I wish to point out that the Hudson Bay railway now being constructed by the Government will form an integral part of the Canadian Northern Railway system. These two systems will connect at Le Pas Mission by a bridge constructed over the Saskatchewan river, and the Government taking over this system may be in a position to save money in the construction of shops on the Hudson Bay railway; in other words, it may make some difference, if those two systems are connected, if the shops were located to serve both systems. At the present time the Hudson Bay railway is a separate entity, and would probably have those shops and all the machinery and overhead expense by itself, part of which might be saved if it were operated in connection with the Canadian Northern railway. I have no more to say, and I would not be allowed to say it if I had.

Mr. J. J. HUGHES (Kings, P.E.I.): Mr. Chairman, I desire to say a few words on the proposition now before the committee from the point of view of the ordinary citizen and taxpayer—the man, after all, who is going to pay the shot. There are certain facts and circumstances in connection with this matter which enable one to form a fairly correct conclusion in regard to it. One of these facts is that Messrs. Mackenzie and Mann, who built this great line of railway, have not put one dollar of their own money into the enterprise. They have built it with money obtained from the people in the form of land grants, guarantees given by the provincial governments and the proceeds of bonds sold in the markets of the world, a large part of these bonds being guaranteed by the Government of Canada. They employed the money raised in these various ways in the building of this road. In the construction of the road Mackenzie and Mann, beingthemselves the contractors and having no competition, made very large fortunes. They are very wealthy men apart altogether from this railway system. They are said to be multi-millionaires, and to have vast sums invested in various enterprises in Canada, the Argentine Republic, Brazil and Mexico. They have money invested in coal mines in Nova Scotia, timber limits in British Columbia, and street railways in various parts of the country. No matter what may happen to the Canadian Northern system, they are wealthy men. No matter what becomes of the common stock, they are rich and the people of Canada who have provided all this money owe these gentlemen nothing. Since this Government came into power the Canadian Northern Railway company has received from the public in one way and another some $76,000,000. I think it was in the session of 1912 that Parliament gave them a grant of $16,000,000, in round figures. Last year they received another gift of $15,000,000, and in the session of 1914 there was a guarantee of bonds to the amount of $45,000,000. That guarantee has been considerably discussed and it is known to every man in this House that at the time that legislation was passed the power was taken by the Government, in the event of default by the owners of the road, to take the road over without any responsibility therefor, or any legal proceedings. My hon. friend from South Renfrew (Mr. Graham) stated, on his knowledge and on his responsibility as an ex-minister of the Crown and a member of this House, that proceedings would have been taken in the way provided for by the legislation of 1914 to obtain possession of this road if it were not that influential men in this country, who are near to and have close connections with this Govern-

ment, and who are the pledgees of this common stock, would not stand to benefit largely unless the common stock were given a value.

In June, 1916, the Government appointed a commission to ascertain what this railway system and the common stock were worth. Mackenzie and Mann had issued $100,000,000 of common stock against this railway, $40,000,000 of which the Government holds and $60,000,00 of which is held by Mackenzie and Mann, but is now pledged largely to the Canadian Bank of Commerce. This common stock never cost Mackenzie and Mann or any other person one cent. The commission appointed by this Government to inquire into the value of this road and of this common stock reported that the stock was worth nothing. That was the report of Sir Henry Drayton, the chairman of the Railway Board, and Mr. Acworth, an English gentleman of large railway experience and financial knowledge, the best man that the Government could find for this work. Not only did these gentlemen report that this stock was worth nothing, but they also reported that the known outstanding liabilities of the railway, which the Government are assuming, amount to some $68,000,000 over and above the total value of the railway. That report not being satisfactory to the Government, and probably not being satisfactory to the pledgees of this stock, the Government is proceeding to appoint a commission to give this stock a value. Whatever value is given to it the people will be just that much out of pocket. It is said that the Canadian Bank of Commerce is the holder of $51,000,000 of this stock, and, that being so, the Canadian Bank of Commerce is very materially interested in the value that may be placed upon the stock. It holds it as collateral for advances made to Mackenzie and Mann. Whether the money so raised by Mackenzie and Mann has gone into the construction of this road or not the members of this committee, so far as I know, have no knowledge, and neither the Government nor the Minister of Finance has given that information.

There are large financial concerns in the city of Toronto that are very closely related to each other and closely related to this Government. The Canadian Northern, the National Trust Company and the Canadian Bank of Commerce have interlocking directorates and are all closely associated. The representatives of these interests are the men who will have the appointment of one of the arbitrators. I have said these interests are closely associated with this Government. I have been informed, for instance, that the Canadian Bank of Commerce has gone very far in its efforts to assist the Conservative party and to assist this Government, and has used its influence as a banking institution for this purpose.

I am prepared to believe the information that I have received in this respect. As a matter of fact, I know that the Canadian Bank of Commerce, at least in some instances, has undertaken to say who shall and who shall not be members of this House. They have, in some instances at least, used their influence as a banking institution to hold over citizens of this country engaged in commercial enterprises the threat that if they exercised their political rights as free citizens they would incur the displeasure of that institution and would be seriously injured in their commercial operations. In the session that was held here in August, 1914, just after the outbreak of war, the bankers of Canada obtained very large concessions from the Government on account of the probability of adverse financial conditions coming upon the country. The understanding was—I think it was expressed by the Minister of Finance at that time—that the banks should do their duty in endeavouring to carry on the financial business of the country as it had been conducted during the few preceding years. The Bank of Commerce took advantage of the fact that it was the only bank in certain parts of the country, and of the further fact that shortly after the outbreak of war the Canadian banks came to an arrangement among themselves that they would take on no new accounts and they would endeavour to give to their customers so far as reasonably possible the accommodation that they had previously received. The Bank of Commerce, knowing that they had a monopoly of business in some places and that the business of their customers would not, under the circumstances, be taken over by any other banking institution, made the threat, and exercised the power and the intimidation to which I have referred.

The legislation now proposed is largely to benefit the pledgees of this stock and to give it a value, notwithstanding the fact that a commission appointed by the Government, consisting of experienced men from Canada, Great Britain, and the United States, decided that that stock had no value. Now the Government propose to appoint a commission of arbitrators with a view to giving

the stock a value—at the instance, no doubt, of the pledgees, the largest of whom is the Canadian Bank of Commerce, an institution that is using its influence and its enormous financial power in the way that I have indicated. Is there not ample reason for the ordinary member in this House being suspicious of this legislation? We are coming to a condition in this country that will not be far removed from that in which the British people found themselves some centuries ago, when wealthy men and large corporations could nominate and cause to be elected men of their own choice to represent the people in Parliament. If legislation of this kind goes through Parliament; if the financial corporations and interests have it in their power to exercise in this way the enormous advantages which they possess, representative government and the independence of Parliament will not be worth very much in Canada. Under these circumstances it is no wonder that the people are alarmed. Every phase of this legislation is open to suspicion. In order to shut off ordinary discussion of this measure; in order to force this legislation through Parliament, the Government have taken the drastic step of applying the closure. This is a time when the people have great reason to be very careful of what is done in this House and in this Parliament. When, after some months, we know what we have to pay for this stock—which a commission of experts declares to be worth nothing—we shall know better than we can know now the influences that are behind this Government, urging them to force legislation of this kind through Parliament, not for the benefit of the whole people, but for the benefit of certain interests in this country.

Some hon. MEMBERS: Time.

Mr. J. J. HUGHES: I am subject to the Chair.

The CHAIRMAN: The hon. member has two minutes more.

Mr. J. J. HUGHES: The taking over of this road by the Government under the legislation of 1914 might be all right, but the passing of this legislation and the taking over of the road under the circumstances that I have pointed out is a very serious matter indeed.

Mr. LEMIEUX: I have already spoken on one or two occasions, although not at great length, on this question, but I desire to make a few more remarks to the committee. First, as to the weapon used in this discussion, namely, closure, I have only this to say, that in ordinary times, in fact at all times, the closure or gag is nothing but a bludgeon to prevent people from expressing their free and untrammelled opinions, but, under present conditions with a Government represented as it is on the ministerial benches, I am rather pleased to see that they have adopted this procedure which shows their intention to prevent the country from being informed by gentlemen on this side of the House. We know that closure was introduced in England when the Irish Parliamentary Party were obstructing the proceedings of the House of Commons. At that time the Irish party did not complain of the introduction of closure, because, as Mr. Parnell rightly said, "We will make the world listen to our grievances." I stated the other day that the press of this country had been ominously silent, that it looked as if the press had been bought, body and soul, in order to keep the lid on this transaction; and, after the lobby which has been carried on in this Parliament since the beginning of the session, I understand why the Government is anxious to enforce closure, in order to prevent revelations being made. I am glad that the Government has adopted this weapon in order to sandbag its political opponents at the present juncture, thus the country will be made to listen, and to inquire why this extraordinary procedure has been adopted, when there has been no obstruction within the walls of this House. I listened the other day to the remarks of my hon. friend from Red Deer (Mr. Michael Clark). He said: I am surprised that we are here, after eight months of a session; we should not be debating in this House, but should be pitching sheaves in the western prairie. He added that he did not understand why all this delay and all this discussion. Let me say, in all sincerity and frankness to my hon. friend, that if there has been delay the responsibility lies with the Government. The measure before the House, the most important piece of legislation which has been introduced in Parliament since the Grand Trunk Pacific Bill was passed, has been placed before us in the dying hours of a dying Parliament, and the Government must bear the responsibility, and not the members of this House who protest strenuously and sincerely against this transaction. I am surprised that a Liberal like my hon. friend from Red Deer—

Mr. GAUVREAU: He is no more a Liberal.

Mr. LEMIEUX: —should complain that there is discussion over this transaction. Does he not know that hundreds of millions of dollars are involved in this transaction, and that the Minister of Finance has done us the injustice of not bringing with him, and laying on the table of the House, one bit of correspondence exchanged between the vendors and the purchasers? Who, in the country, will believe that there have not been written documents in the negotiations which took place between the Government and the Canadian Northern Railway company? Do hon. gentlemen believe that the sacred cause of war, of which my hon. friend the member for Red Deer is apt to speak every now and then, is well served by this Government catering to the desires and wants of Messrs. Mackenzie and Mann? I say that at all times sentiment is, at best, a sorry substitute for sound finance, and the "win-the-war" cry raised in this connection will not impress people because it is only a sham to cover an act of piracy. My hon. friend from Pictou (Mr. Macdonald) asked the other day: But with whom are you dealing? I thought it was a very naive question—with whom is this Government dealing at the present juncture? They are dealing with a coterie of knights, most of them millionaires, but willing—anxious, indeed—to add to their millions, some of them banded together to deliberately loot and plunder the Canadian treasury. In the days of real chivalry—and it was in the olden days—it was said that the knights were contributing their blood and the common people their money and their prayers. We have reversed the position nowadays, the people are contributing their blood to the cause of war, but the plumed knights are getting the plums and the booty, and some of them are good enough to give us their prayers. The press has been silenced, and the Minister of Finance was rather short in his remarks to this House when he introduced his resolution. He thought, as a matter of course, so deeply has he been dealing in millions and millions since the beginning of the war, that this Parliament was not entitled to know much about this scheme. But more than that, he has even refused an invitation which he received from his home city, Toronto, to discuss publicly at Massey Hall the question now at issue. I have seen in this House men of as high a stature, politically speaking, as my hon. friend the Minister of Finance. Sir Charles Tupper played a part in the history of Canadian confederation. He was largely responsible for the Canadian Pacific contract, and when the terms of that contract were discussed before the House of Commons in the '80's he accepted the challenge of those two great political giants, Sir Richard Cartwright and Edward Blake, and did not think it beneath his dignity to leave Parliament and meet them in Montreal, Toronto and the large centres in Canada, and discuss with his opponents the contract made with the Canadian Pacific railway. And yet the Canadian Pacific had hardly more importance, financially speaking, than the present proposition. More than $600,000,000 is added to the public debt, and yet my hon. friend who is responsible for that measure refuses to discuss in public in his own city the whys and wherefores of this legislation. He received the following letter from Toronto:

August 17, 1917.

Sir Thomas White,
Minister of Finance,
Ottawa, Ont.

Honourable Sir:—

I have been instructed by Ward 4 Liberal Association, of which I am secretary, to invite you to address a public meeting in Massey Hall on the question of the purchase of the Canadian Northern Railway.

Great alarm has been expressed by the citizens of Toronto as to the proposals of the Government with reference to this purchase, and the interest of the Canadian Bank of Commerce therein is a matter of much speculation.

If you will kindly advise me what day next week would be suitable, we shall arrange for the meeting.

Yours truly,

(Sgd.) John Callahan.

What was the answer of the Minister of Finance?

Ottawa, August 20, 1917.

Dear Sir:—

I have yours of the 17th instant in which you kindly invite me to address a public meeting on the question of the acquisition of the Canadian Northern Railway system. It does not appear to me that any discussion is necessary as the question is being fully debated in Parliament. I am not aware that there is any public apprehension such as you mention with reference to the purchase, which means that the entire system will be acquired for the people of Canada and will constitute a most important forward step in the direction of public ownership. For your information, I enclose herewith an extract from Hansard showing the remarks of your leader, Sir Wilfrid Laurier, upon the subject in 1914, in which he suggested arbitration as a mode of acquiring the

common stock of the company. Thanking you for your courtesy.

Yours faithfully,
W. T. White.

He adds to that letter a postscript enclosing the amendment moved by the leader of the Opposition in 1914 and seconded by my hon. friend from St. John (Mr. Pugsley). But what a flimsy pretext! As it has already been answered during this debate, I will not weary the committee by giving further reasons why it should not have been invoked by a serious gentleman like the Minister of Finance. The minister has refused to face his own city of Toronto because, as he says, it is not in the public interest to discuss that issue. He has ignored the people of Toronto just as he has ignored the financial people of Montreal. The people of Montreal have been taken to task by the Solicitor General (Mr. Meighen). Oh, he says, some Montreal financial men have awakened; a protest has been signed, but it is only Montreal—and, he couples the name of Montreal with the question of conscription in order to becloud the issue. Let me say to my hon friend that not only is Montreal protesting against this piece of legislation, but Toronto is also protesting against it. The great Liberal convention held at Winnipeg has adopted a resolution against this measure; the Single Tax Association of Ontario and the Constitutional Club of Toronto have passed resolutions against it. Let me quote the last paragraph of a resolution adopted by the Constitutional Club of Toronto:

> And whereas, the audacious and resolute efforts now being made by the Government of Canada to commit Parliament to the purchase of Canadian Northern Railway stock resolves itself into an attempt by predatory private interests to loot the treasury of the Dominion, therefore, be it resolved, that the people, in view of the foregoing considerations, demand the impeachment of all members of Government and of public services such as the Imperial Munitions Board, who at present or in the past, have either personally or in the capacity of directors of incorporated companies, been connected with any of the financial institutions involved in the affairs of the Canadian Northern Railway.
>
> P. F. Cronin, President.
> M. Lacey, Secretary.

The Solicitor General the other day made light of the protest circulated in Montreal by the most influential association in that city. There is in Montreal a lawyer of renown, the son of Sir Alexander Campbell who once was Postmaster General in the administration of Sir John A. Macdonald some time after Confederation. He is the first commercial lawyer of the province of Quebec. He has represented the largest interests before the Privy Council. He has had a long and successful career at the Bar. He has, on many occasions refused from both political parties the highest position on the Bench. I therefore do not hesitate to invoke his opinion as against that of the Solicitor General—not that I minimize the ability of the Solicitor General, but every one in this country knows that Mr. C. S. Campbell, K.C., is at the head of his profession. This is what he says:

> The Canadian Northern Railway has never earned interest on its debts. Great expenditure is needed to put it in efficient shape. Its bonds have always sold at less than face value. Its stock has been declared worthless by two experts named because of special ability to form an opinion.
>
> This stock it is now proposed to purchase at a price to be fixed by arbitrators, one named by the sellers and one by the friendly buyers. And buyers and sellers have had undisclosed verbal negotiations. No one can doubt the result.
>
> Canada is paying 8 per cent. for money. The two-year 6 per cent. notes netted 96.11.
>
> Money at 8 per cent, cannot be poured with impunity into a system running behind every day.
>
> The whole proceeds of the new income tax for years to come will not suffice, and this tax we want for war and not to relieve present holders of doubtful securities.

Sir, this letter is signed by one of the friends of the Conservative party, by an honest Tory, who says that this country may be deeply involved; that the income tax, which will weigh so heavily on the taxpayers of this country will be, so to speak, engulfed in order to meet the liabilities of the Canadian Northern Railway. I ties of the Canadian Northern railway. I tive party to heed that statement made by one of their friends.

As a representative of the province of Quebec, I have one word to say, not from a sectional point of view, but from a business point of view, about the condition which this transaction is going to create as regards the credit of my province. I am proud to say—and I know the Minister of Finance will not deny my statement—that the credit of Quebec is excellent; that the finances of that province have been well administered. As he can see from this morning's Montreal Gazette, of all the provinces of the Dominion, Quebec has a substantial surplus to show this year. He knows that the bonds of the province of Quebec are quoted at par in the markets of the world, and that is higher than the price

at which the bonds of the Dominion of Canada are quoted. I am proud to say that on behalf of my province which has of late been so much vilified by so many people. Quebec, I am prouder still to say, has always refused to be encircled by the tentacles of the Canadian Northern railway. Quebec has always refused to guarantee the bonds of the Canadian Northern railway, and she has never given subsidies to its doubtful enterprises, and now Quebec must be punished, forsooth, because she has refused to impair her credit by dealings in questionable policies.

Just one word more, and I am through for the present. Sir Lomer Gouin, the distinguished premier of my province, and Mr. Bourassa, in an admirable article in his newspaper, Le Devoir, only a few days ago, have raised their voices against the raid which is being made on the treasury of the province of Quebec as a result of that transaction. Let me read what Sir Lomer Gouin said the other day:

> The province of Quebec has not guaranteed the bonds of a railway company, but other provinces have guaranteed them to the extent of $20,000,000 and $30,000,000 and even $100,000,000. Now that the railways are built, some of which are bankrupt, or on the eve of becoming bankrupt, the Government of this country which has no longer the confidence of the people is about to run us into debt to the extent of $700,000;000, of which about $100,000,000 will fall upon the province of Quebec.

I regret that I have spoken longer than I should, but may I conclude by quoting the pious message which, in my judgment only adds insult to injury in the present circumstances, which Sir Byron Edmund Walker has just issued for the benefit of this country. I receive the Monthly Commercial Letter issued by the Canadian Bank of Commerce, and I notice in the last issue the following words:

> Public attention is still taken up with the problem of giving effect to the general and earnest desire to apply the moral and physical resources of the nation to the prosecution of the war in a fuller and more effective manner. Compulsory service—

Mark the gradation.

> Compulsory service, a new tax upon incomes, and the proposed acquisition of the entire capital stock of the Canadian Northern Railway are among the important measures advocated by the Government.

On the next page he preaches economy and thrift. Sir, I am quite willing to tighten my belt for the soldiers at the front, but not for the looters and plunderers.

Some hon. MEMBERS: Time.

Mr. LEMIEUX: I am through. My hon. friend says—

The CHAIRMAN: Order.

Some hon. MEMBERS: Order. Sit down.

Mr. LEMIEUX: In the name of Canada, of my province, and of my electors, I protest against this iniquitous legislation, and let me add in conclusion that when I see Sir Clifford Sifton directing from the Chateau Laurier with Sir Wm. Mackenzie the affairs of the Government, I say the time has come to cry: "Stop thief! Stop thief!"

Mr. GERMAN: I wish I could give my twenty minutes to my hon. friend from Rouville (Mr. Lemieux) because he can do greater justice to this question than I feel I can do. I have a few more words to say on this measure before the official guillotine is applied—and I might say that in my opinion the operation of that guillotine will have more far-reaching effects than simply stopping discussion of this Bill in the House to-night; I believe its effect will be as disastrous to the Government as it is to the discussion of this Bill in Parliament. I regret very much that the Government has seen fit at this early stage of the discussion of so important a Bill, to apply the closure rules. I think that before that was done the Minister of Finance should have explained to the House what he meant when he said: I believe I can give the committee good reasons why the legislation of 1914 should not be put into effect. It will be remembered that the Prime Minister, the Minister of Finance, and the Solicitor General prided themselves all through 1914 on the legislation of that year providing security for the $45,000,000 guarantee of bonds. They prided themselves on the easy, expeditious, and effective manner in which in case of default, the Government could take over these properties under section 24 of the Act. In regard to the security and the manner in which it could be realized, they pledged themselves in their speeches when the Act of 1914 was under consideration, that if default was made proceedings would be taken under section 24 to realize on the assets of the Canadian Northern railway. I challenge the Minister of Finance to-night before the debate closes to explain to the people of Canada and to this Parliament why proceedings are not being taken under that section, and what he meant when he said: I believe I can give the committee good reasons why the legislation of 1914 should not be put into effect. The

Minister of Finance has made several speeches on this Bill, and has often reiterated that statement, but that is as far as he gets, and unless he explains what he means by the words I have just quoted we must come to the conclusion that there are no reasons why section 24 should not be put into force, and that there are ulterior reasons for taking over the road in the manner provided for by this legislation.

There is another question in connection with this Bill which I have not heard discussed in this committee or in the House, and it is this, and it seems to me that it requires explanation. Section 1 of this Bill provides that:

> His Majesty may acquire the six hundred thousand shares of capital stock of the Canadian Northern Railway Company (par value sixty million dollars), not now held by the Minister of Finance in trust for His Majesty, on such terms and conditions satisfactory to the Governor in Council as may be set out in an agreement to be made between His Majesty and the owners or pledgees.

I ask the Minister of Finance to explain what that agreement is to be. What is the agreement for, and what is it to contain? If the Government takes over the shares of this company the Government will own the company in toto. The company has nothing in regard to which they can make an agreement. I would like the Minister of Finance to tell us, if he will, what that agreement is about. He must enlighten this House. We are giving the Government what might be called a blank cheque. We are giving them authority to make an agreement with the Canadian Northern Railway company, and with the pledgees of the stock of that company, and there is not a man in the whole Dominion of Canada—outside of the Government, and possibly Mackenzie and Mann, and the pledgees—who at this moment knows, or apparently will know, what that agreement is to be about. I say, Sir, that the Government has no right at this time to force through the House an Act of Parliament which gives the Governor in Council the right to make an agreement with the railway, unless Parliament knows what the terms of that agreement are. What is the agreement to be for? Is it in connection with the stock? Why is the agreement with the owners? The Government is to take the stock, the owners will have nothing to do with it. Is it to be with the pledgees? The right of the pledgees can be no higher than the rights of Mackenzie and Mann. If this stock is pledged, as I believe it is, to the Canadian Bank of Commerce, it has been pledged since the Act of 1914. If it was pledged since that Act was passed the pledgees took it with full knowledge of what that Act contained, and the rights of the Government to take that stock in the event of default. In law the rights of the pledgees are no higher, and cannot be any higher, than the rights of the owners. If the Government could take the stock from the owners without compensation, as the Act provides, they could take it from the pledgees without compensation in exactly the same manner. The Minister of Finance does not appear to be particularly interested in what is taking place, knowing that he has an official axe which will chop off discussion at two o'clock, and that this Bill will then go out of committee. But I may tell the minister that he will have an audience to reckon with after this Parliament is dead and gone, and to this audience he will have to pay attention, and he will have to give an accounting, and make an explanation. I may also tell him that before this Bill becomes law we must have an explanation as to what that agreement is to contain. They say that upon the making of the agreement at least five-sixths of the stock is to be handed over. Can it be an agreement for the operation of the railroad. Surely there is no necessity for an agreement of that nature before the handing over of the stock. The Government takes the stock, and if the Canadian Northern Railway company as at present constituted see fit to retain their directorship and go on and manage the road, they will do so. That agreement can be made between the Government and the Canadian Northern railway after the stock is taken over, and it would not be necessary to put in an Act of Parliament such as this is, any conditions regarding an agreement for the operation of the road, because this Act contains nothing in regard to the operation of the road. We must have an explanation as to what that agreement is to be. We are absolutely in the dark on that point. With that provision in the Bill, the Government can make an agreement with Mackenzie and Mann and with the Canadian Northern that the stock they hold is to be taken at a price to be fixed by arbitration, but that stock will be held by the Government and returned to Mackenzie and Mann if in the future Mackenzie and Mann can make financial arrangements to relieve the Government from responsibility. The Minister of Finance shakes his head, but I say, Mr. Chairman, that is so as a matter of law. This Parliament is giving the Gov-

ernor in Council authority to make an agreement in connection with this property, with the owners and pledgees. It is a blanket agreement.

Sir THOMAS WHITE: For what? For the purchase of the shares.

Mr. GERMAN: That is what we do not know.

Sir THOMAS WHITE: It says so.

Mr. GERMAN: Not at all. It does not say so. It says that His Majesty may acquire those shares on such terms and conditions satisfactory to the Governor in Council as may be set out in an agreement to be made between His Majesty and the owners and pledgees of not less than five-sixths of the stock. What is the agreement to contain? Not the purchase of the shares, the Minister of Finance surely cannot seriously suggest such a thing as that. It is not an agreement to purchase the shares, so far as this Bill is concerned. It does not say anything about purchasing the shares. In any event why is an agreement necessary to purchase the shares? It does not require an agreement with Mackenzie and Mann to purchase the shares, nor yet does it require an agreement with the pledgees to purchase the shares, because the pledgees have no higher or greater rights than Mackenzie and Mann. If the Canadian Bank of Commerce holds, as it is stated they do, $51,000,000 of that stock in pledge, they took shares with full knowledge of what the Act of 1914 contained, and with full knowledge that the Government had the right, on default to take over the whole property without paying Mackenzie and Mann one penny for it. That being so, why is an agreement necessary for the purchase of the shares? I submit it is no such thing, and the Minister of Finance is deliberately evading the question when he makes that contention. He knows there is no necessity for an agreement for the taking over of those shares. We must have some explanation as to that, either to-night or later on in this session; because I may state to the Minister of Finance that though he can closure this Bill through to-night and force it through the committee without giving an explanation which the committee requires and is entitled to have, and without giving an explanation which the country requires and is entitled to have, we shall have another chance before the Bill becomes law, which chance I apprehend will be taken advantage of, and the Government will have to explain to the House what the minister means when he says that he can give good reason why the Act of 1914 should not be put into operation in taking over this property. Furthermore, we are entitled to have a draft agreement showing what is to be done, the same as we had in 1914 when the Bill providing for the guaranteeing of the $45,000,000 was before us. Why should we not have this agreement now, to know what arrangement the Government intends to make with Mackenzie and Mann and the pledgees of this stock? We are entitled to have it, and we must have it if at all possible before this Bill becomes law.

The Finance Minister stated that the arbitrators could decide that nothing should be paid for this stock. I differ from him because he says in the Bill that the stock is to be acquired for a price to be determined by arbitration. There is to be a price even if there is no value. The royal commissioners stated that there was no value. It is nonsense, in the face of their report, for any one to argue that there is a value. But, notwithstanding that the commission say there is no value, the Governments say that a price is to be paid. They recognize immediately a value because there can be no price paid for a thing unless the thing has a value or unless there is an assumption of value, because price recognizes value. The Government speaks about a price to be hereafter determined. The arbitrators start out with the tacit assumption on the part of the Government that the stock has value. Then they can fix such price as may be determined. But, outside of, and beyond that, I call upon the Minister of Finance to explain to the committee what he means by the statement that he could give good reasons why the Act of 1914 should not be made effective. I want to know what those reasons are. The Minister of Finance, the Prime Minister and hon. gentlemen on the other side have discussed this matter from every angle, but this one. Why do they not put into effective operation the Act of 1914 which they said would be so effective, so speedy and so just to the owners of the railway? Then, I say, we are entitled to know what the agreement is to contain, what it is to be and we should have a draft of that agreement placed before Parliament so that, before it is entered into, Parliament may know exactly what it is authorizing the Government to do. I have, Mr. Chairman, finished my remarks in connection with this matter and I trust the Minister of

Finance will do us the justice to explain what he meant by that expression.

Mr. TOBIN: Mr. Chairman, I think it my duty to say a few words on this important question. I was somewhat surprised. when my hon. friend from Rouville (Mr. Lemieux) finished his speech a few minutes ago, to hear a noise on the Government benches. I thought hon. gentlemen opposite were chloroformed, but they must have wakened up because we had not heard from them for some time. I am surprised, in view of the legislation passed in 1914, that the Government have not taken advantage of the provision contained in that Act to take over the road. If you look at the statutes of 1914, you will see that it contains the following provision:

22. Upon the happening of any event of default and at any time or times while the same shall continue, it shall be lawful for the Governor in Council after such notice to the Canadian Northern as the Governor in Council may direct, to declare to be vacant the offices of the directors of the Canadian Northern and of any of the Constituent or Subsidiary Companies which may be subject to the legislation authority of the Parliament of Canada, and to appoint a board or boards of directors in lieu thereof respectively (any former director being eligible for appointment.)

2. The power of appointment herein conferred upon the Governor in Council shall be a continuous power and shall be exercisable from time to time and so often as any event of default may exist and be continuing.

23. The directors so appointed by the Governor in Council shall hold office during the pleasure of the Governor in Council, and any such director may be removed and another appointed in his place. Vacancies occurring from time to time may be filled by the Governor in Council. The said boards respectively shall have all the powers of a board of directors elected by the shareholders and acts of the board requiring the authority and approval of the shareholders shall if authorized by the Governor in Council be as valid and effectual as if authorized or approved by the shareholders.

24. If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada any statutory enactment or any rule of law or equity to the contrary notwithstanding.

That is what the Government could have done. It could have availed itself of the provisions of that statute. This is purely a business proposition between two parties, the Government and Mackenzie and Mann. I would ask you, Mr. Chairman, if you would go into such a deal, where such a large amount of the money of the people of Canada is involved, without the necessary information. I do not think so. I am surprised at the action of my hon. friend the Minister of Finance. I have been informed that he was the manager of the National Trust Company, but I am sure that, as manager of that company, he would not consider such a proposition without taking the advice of the best experts, investigating it and ascertaining the assets, revenue and liabilities of the company. For my part I cannot understand why, in face of the report made by the commissioners appointed by this Government, the Government would bring in any such legislation as this. If you will look at the Drayton-Acworth report you will find the following statement:

Value of Canadian Northern Undertaking.

Cash Investment.

The property investment of the Canadian Northern Railway system is stated in the balance sheet of June 30, 1916, at $494,112,489.34. This figure admittedly has been written up to include $100,000,000 of capital stock. And this stock, as we have already said, was issued without any cash consideration. We have endeavoured to ascertain the actual cost of the system. From the company's official reports and special statements supplied to us, we have ascertained that the maximum cash investment that can have been made in the property is $383,302,451.33.

The report says further:

But money cost is not all. We decided also to ascertain the approximate value, on the basis of reproduction cost, of the property as it exists to-day, and we rely on Professor Swain's valuation for this purpose. This valuation is, in his opinion, a liberal estimate of the fair cost of reproducing new, at pre-war prices of labour and material, the system at present existing. It includes property belonging to the system at its estimated cost, if it had to be acquired or constructed to-day. And therefore it not only gives the company credit for lands which it in fact owns, even though it obtained them as a grant; but it also credits the company with the increment of land values since the date of the original acquisition. And these two items are quite large.

A little further on we find the following:

We conclude, therefore, that the shareholders of the company have no equity either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern. If, then, the people of Canada have already found, or assumed responsibility for, the bulk of the capital; if they must needs find what further capital is required; and if they must make up for some years to come considerable deficits in net earnings, it seems logically to follow that the people of Canada

should assume control of the property. We return later to the Canadian Northern Company in order to set out our recommendations as to its ownership and management in the future and as to the terms to be offered to the existing shareholders.

According to this report, the liabilities of the company are greater than its assets. Yet the Government is going blindfolded into an undertaking that will involve an expenditure of hundreds of millions of dollars. Is it reasonable that these millionaires, Mackenzie and Mann, should unload this property on Canada? I submit that it is not reasonable. Speaking in this House on May 18, 1914, page 3943 of Hansard, the Minister of Finance said:

I have dealt with the question of securities, and come now to the question of remedy upon default. Some hon. gentlemen have said: why do you not take security upon the stock? I need not tell the lawyers of this House that a creditor stands in a higher position than a stockholder, and that except for convenience it is not at all necessary to take the stock of any company for security. If I have a mortgage on a company's undertaking I do not care very much for the stock as security except that it is advisable to have the stock in order that I can take possession of the company, put in my own receiver.

I think it is about time that the minister acted upon the principles that he set forth in 1914 and put the Canadian Northern system into the hands of a receiver. The Government should withdraw this Bill; that course would be more satisfactory to the people than the passing of a measure that will involve an expenditure of over $600,000,000.

The hon. gentleman said further:

What security have we? I have seen a good deal of financing in my time, and I know something of law although my hon. friend from Pictou (Mr. Macdonald) does not think so, and I want to say this: I have never seen as effectual a means of entering into possession of a property upon which a mortgage is held as has been devised by the Solicitor General in connection with this transaction. And further —he will not mind this coming from me—I take off my hat to the Solicitor General for the way he has performed the legal work in connection with this transaction which is one of the most complicated that has ever come before the House.

I am afraid that the people will not take off their hats to the Solicitor General or to the Minister of Finance for what they have done in connection with this measure. Speaking in the House on May 14, 1914 (page 3733 of Hansard), the member for St. Antoine (Sir Herbert Ames), a good business man, who has some standing in the province of Quebec, said:

There is another feature of this matter which, I think, is well worthy of consideration. What is to happen in case of default? We have hitherto been dealing with the situation in case of success; the Government has very carefully looked ahead in regard to what might happen in case of failure. Ordinarily it is a very slow process to foreclose a railroad and for the bondholders gradually to take possession of the physical assets thereof. The Government in this case, however, has supplied a method of quick procedure whereby the axe drops instantly and whereby there can be no coming back for further assistance. It is definitely stipulated in this undertaking what shall constitute any event of default.

Why does the hon. member for St. Antoine not persuade the Government of which he is a supporter, and with which he has considerable influence to drop the axe and appoint a receiver for this road? That is what the business men of Canada want. Why does the member for St. Antoine not ask the Government to drop the axe and thus save the Canadian taxpayers millions of dollars?

With regard to the amount that this transaction will cost the country, I have before me the figures given last evening by the member for Pictou (Mr. Macdonald). I am surprised that the Government does not seem to consider seriously what will be the tax upon the people in respect of this undertaking. This road will cost Canada $653,246,949.39. That is a considerable tax upon the people of this country. I contend that such a measure as this should not be put before the people—at a time when so much money is being expended for war purposes and for carrying on the ordinary business of the county—simply to give a present to two millionaires of Toronto. These men have obtained money from nearly every province except Quebec—and Quebec will have to be taxed with the other provinces to meet this expenditure. The Prime Minister, in answer to a question put yesterday in regard to pensions, said:

My hon. friend from Pictou (Mr. Macdonald) made an inquiry with regard to a resolution on the Order Paper with respect to the Board of Pension Commissioners and the rates of pension. Hon. gentlemen will remember that on March 14, 1916, a committee was appointed for the purpose of taking into consideration the rates of pensions. On the 10th May, 1916, the committee made a unanimous report. The chairman of the committee, on the 18th May, moved that the report should be commended to the consideration of the Government. Parliament prorogued on the same day. There was not an opportunity to bring in legislation at that session. Accordingly, on the 3rd June, 1916, the recommendations of the committee were put into the form of an Order in Council and passed under the War Measures Act. By a resolution on the Order Paper it was proposed that a similar committee should be appointed this year to take into consideration representa-

tions that had been made to the Government from various quarters, and more particularly by several organizations of returned soldiers, as to the desirability of increasing the rates of pensions then allowed. This was urged for various reasons, several of which have a great deal of force. We have reached the conclusion that it would be impracticable to deal with the matter in a thorough and satisfactory manner at this session and that it is a subject which should be dealt with finally and permanently by the new Parliament which is to be summoned in the early future.

Apparently the Government have no time to attend to the wants of the widows and orphans of the men who have gone to the front to fight our battles; yet they have time to attend to the millionaires. No, Mackenzie and Mann cannot wait. They say: "You cannot afford to put this company into the hands of a receiver." What about the Farmers' Bank. Where was the Minister of Labour in 1910, when he used to weary the House for hours and hours wanting the Government to recoup the stockholders of the Farmers' Bank? Do we hear anything about that from the Government benches now? Hundreds and hundreds of poor people lost their money by the failure of that bank. Their money was stolen from them. What did the Government do? The poor people can wait, but the millionaires cannot wait. The people of this country can well call this Government a government of millionaires. In an editorial in the Morning Citizen of August 21 I find the following paragraph:

The Citizen thinks that the Government is wrong in referring the all important matter of the valuation of the 600,000 shares to arbitration. The Acworth-Drayton report says that these shares are practically worthless. If they have no equity of any value, why should the country pay for them any amount a board of arbitrators may decide? The matter is not one for arbitration but for action by the Exchequer court. Briefly, the fact that the administration has not taken advantage of its legal recourses against the company in the circumstances should not compel it to the other extreme of generosity with the money of the people. The matter is one of tremendous interest to Canadians. At present it would seem that the Government is in an untenable position. Indeed its proposal, if enacted into law, will do a grave injustice to the tax burdened people of Canada.

Last evening the Minister of Finance, who is generally pretty fair in his remarks, gave this House to understand that Mr. F. N. McCrea, the member for Sherbrooke, was a director of the Bank of Commerce, and the hon. minister's friends on the other side cheered him. I think the members of the House understood the minister to say that Mr. McCrea was a director of the bank. At any rate, he insinuated that he was.

[Mr. Tobin.]

Mr. McCrea is not a director of the Bank of Commerce, and never was. He was a director of the Eastern Townships bank, which was taken over a few years ago by the Bank of Commerce, and I think they pensioned off all the directors of the Eastern Townships Bank, and Mr. McCrea was one of them. I think the Minister of Finance should not play upon words, but tell the House that Mr. McCrea is not a director of the Bank of Commerce.

I have here a statement from the Annual Financial Review-Canadian, May, 1916, which gives a list of the directors of the Bank of Commerce, which reads:

The Canadian Bank of Commerce. Head office Toronto, Canada. Directors: Sir Edmund Walker, C.V.O., LL.D., Toronto, President; Z. A. Lash, K.C., LL.D., Vice-President, Toronto; John Hoskin, K.C., LL.D., D.C.L., Toronto; J. W. Flavelle, LL.D., Toronto.

I presume the last mentioned name is familiar to all members of the committee. The other names are as follows:

A. Kingman, Montreal; Hon. Sir Lyman Melvin Jones, Toronto; Hon. W. C. Edwards, Ottawa; E. R. Wood, Toronto; Sir John M. Gibson, K.C.M.G., K.C., LL.D., Hamilton; Robert Stuart, Chicago, Ill.; G. F. Galt, Winnipeg; Wm. Farwell Sherbrooke, D.C.L.; Hon. Geo. G. Foster, K.C., Montreal; Chas. Colby, M.A., Ph.D., Montreal; A. C. Flummerfelt, Victoria, B.C.; G. W. Allan, K.C., Winnipeg; H. J. Fuller, Montreal; F. P. Jones, Montreal; H. C. Cox, Toronto.

General Manager, John Aird; Assistant General Manager, H. V. F. Jones.

Mr. McCrea's name was never on the list of directors of the Bank of Commerce. It is somewhat surprising that this Government should press this legislation as public opinion is strongly against it. If you go into the city of Montreal and meet any business men, Conservative or Liberal, they will tell you that this is the most damnable legislation that ever came before this country.

Some hon. MEMBERS: Order, order.

Mr. TOBIN: Some gentlemen express themselves that way. I would not say that the Government would steal, but people say this is a big steal. Here is a resolution passed by the Constitutional Club of Toronto. The hon. Finance Minister comes from that city. The following paragraph appeared in the Toronto Globe on August 25, 1917:

Impeach All Those Connected With C.N.R.—Sweeping Resolution Passed By the Constitutional Club.

A resolution has been passed by the Constitutional Club, demanding the impeachment of all members of the Dominion Government and of public services, such as the Imperial Muni-

tions Board, who at present or in the past have, either personally or in the capacity of directors of incorporated companies, been connected in any of the financial institutions involved in the affairs of the Canadian Northern Railway.

The resolution sets forth that Parliament has prolonged its own existence beyond the limits prescribed by law, and that it does not adequately represent the country. It also quotes the statements of Mr. R. B. Bennett, M.P., to the effect that the public life of the country has been corrupted, and declares that the Government has admitted the existence of interlocked directorates and personal interests among financiers and financial institutions associated with the affairs of the Canadian Northern Railway.

The resolution was moved by Mr. T. A. Scanlan and seconded by Mr. Archibald Draimin.

I am against this legislation, because it is not in the interest of this country, and I am against it being considered in the last days of a dying Government. The life of this Parliament expired in October, 1916, and I have no mandate from my people to vote for such a measure. This Government has taxed this country up to the hilt for the benefit of their friends. Now, this is a large amount of money, something that is going to tax every man, woman and child in this country for years to come, and I vote against the measure because I consider it is not in the interest of this Dominion.

Mr. ROBB: Having listened to the instructive and convincing address of the hon. member for Montreal (Mr. Lafortune), I am inclined to think that the members of the Government are now perhaps sorry that the closure has been put on, and that they are therefore unable to give vent to their feelings on this important question. Having in mind the legislation of 1914, the arguments of the ministers in presenting that legislation and the arguments of their followers in supporting it, we on this side have reason to-day to question why at this time the closure has been put on. All the arguments of the ministers in presenting the legislation of 1914 and the arguments of those who supported them were an effort to convince the House and the country that that was the last call; that the legislation of 1914 was so carefully drawn up, so ironclad, if you will, that whenever Mackenzie and Mann or the Canadian Northern Railway company defaulted in their interest payments, automatically the Canadian Northern railway with its connections, mines, timber limits, elevators and valuable rights along the harbour fronts of this country, would all lock, stock and barrel, become the property of the Canadian people. And, so we wonder to-night why it is that the Government, having this legislation in charge, have adopted the closure. Is it because they are afraid of their own supporters? Is it because there is rebellion amongst the supporters of the Government who find it hard to swallow this indigestible pill that is being presented to them? The Government supporters may swallow this "high finance" pill, coated with a "win-the-war" covering, but the electors, the taxpayers, the men who will be loaded with this debt, will not swallow the pill so easily. I am sure hon. gentlemen opposite, from following the public press and from the many telegrams and messages which, I can imagine, have been sent to them asking why they allow this legislation to go through without any protest, are not altogether ignorant of the protests that have been made by representative financial interests throughout this country who heretofore have given loyal support to the Conservative party. I am sure the Government must be aware that throughout this country there is great unrest at this time when the Government propose, at one stroke of the pen, to increase the public debt of this country by over $600,000,000. I am sure the people will take the first opportunity of registering their protest against a Government which has so arbitrarily attempted to put through Parliament what a recent speaker has termed a gigantic steal. I, as representing taxpayers of the county of Huntingdon, wish to take exception to the remarks of my good friend the hon. member for Montcalm (Mr. Lafortune) who never loses an opportunity to tell us that Montcalm is the best county in the Dominion of Canada. I invite the hon. member for Montcalm, to attend, next week if he will, the exhibitions in the united counties of Chateauguay and Huntingdon, and there he will see what is really the best county in the Dominion of Canada. Not only is that county a representative agricultural and industrial county, but perhaps there is no section in all the Dominion that is so representative of the two great races that make up this country as the united counties of Chateauguay and Huntingdon. It is true that the Canadian Northern railway does not run through those counties, but we have other good railways operated by private interests; the service is all that could be desired, and whatever may be the opinion of electors in other districts in the Dominion of Canada, in the county which I have the honour to represent, we have no great faith in public ownership.

Mr. GLASS: You are behind the times.

Mr. ROBB: Perhaps we may be. I know that in the neighbouring province of Ontario the Hydro-Electric legislation has made certain lines of public ownership popular, but I question very much whether the taxpayers of that province are greatly enthused over this project to take over the Canadian Northern railway. A previous speaker has asked, Why all this hurry to put this legislation through in the closing hours of a dying Parliament, and at a time when the Minister of Finance is very loath, to say the least, to give the committee the information they desire? It is quite apparent to every one who has listened to this short debate that the Minister of Finance is either not fully conversant with all the details of this big transaction, or for some reason or other is not willing to take the House, or even his own supporters, into his confidence and tell us who own the bonds. Who is going to be benefited by the immense increase in the value of the bonds held throughout the country? I do not know what the value of the bonds is to-day, but I venture to say that the value will be increased possibly twenty per cent when this legislation comes into force, and I am not sure whether it is the bondholders or the large financial interests—the pledgees —who hold these bonds who are going to benefit by this legislation. I think the Minister of Finance should be prepared to give the House and the country a clear-cut honest statement, so that the taxpayers who are going to incur this liability may know just who are going to benefit by the transaction.

There is no disguising the fact that the public debt of Canada is growing enormously; it is growing by leaps and bounds. And I think every member of this House will agree with me that if ever there was a time in the history of our nation when we should be careful to conserve our finances and maintain our credit, so that we may be able to do our part in this war and finance the soldiers who are fighting our battles at the front and take care of them when they return, that time is now. The Finance Minister himself has recognized this, or at least has attempted to make the country believe so. I believe the Minister of Finance is the greatest apostle of economy in this country—as a preacher. In every newspaper you pick up, in every bank you go into, and on all the billboards, you will find lessons in economy from the Minister of Finance—"Buy a War Certificate and help the Government to finance the soldiers." To-morrow the people of this country will ask themselves after this legislation has been rammed through the House by means of the closure, whether the Minister of Finance wants this money to finance the soldiers or to give greater security to the bondholders of the Canadian Northern railway, and that will be a reasonable question for them to ask. I am ready to acknowledge that railways are useful for the development and progress of our country. We all remember the time when in western Canada there were not sufficient railways and when there was congestion at Fort William. The people of western Canada could not get their grain forward as fast as they wanted to, and the people of the East could not get that grain as fast as they wanted it. We all remember that when legislation was passed authorizing extensions to the Canadian Pacific railway, a bargain was made whereby the railway reduced its rates. I submit to this House that to-day there is no such thing as railway competition in freight rates. There is railway competition in service, but the Railway Commission has done everything possible to prevent competition in freight rates. And so, when hon. gentlemen say that unless the Government take over this road it will go into the hands of the Canadian Pacific or some other big road, after all what difference would it make to the taxpayer or to the man who has freight to ship? He would not get his freight carried any cheaper. The only competition that is offered in freight rates in this country to-day is water competition. And so I say to the Minister of Finance, instead of prejudicing the credit of this country by taking over this road so as to increase the value of the bonds of that railway, it were better to conserve our credit and use the money for the deepening of our waterways from the head of the Great Lakes to the sea, because that is the way to get cheaper rates for the products of the West going East and the products of the East going West.

The Canadian Northern railway taps a splendid country, and I am ready to give credit to Mackenzie and Mann for their pioneer work in railway construction in this country. I think their road goes through as good a part of the Northwest as there is; it is a splendid fertile country, well watered and well timbered, and they are giving a good service.

If the Government were really sincere in their desire to take over this road and nationalize it, the businesslike way would

have been to acquire it in the way suggested by my hon. friend from South Renfrew (Mr. Graham). I have heard it said that a receivership would not be a good thing, that it would destroy the credit of Canada. Let us see. Mr. C. E. B. Biggar, who seems to be an authority, in a recent publication tells us that in 1910 there were thirty-nine railways in the United States in the hands of receivers; in 1913, forty-nine, and in 1915, eighty-five. In 1915, 23,834 miles of railway in the United States were in the hands of receivers, but giving excellent service to the people, possibly a better service than some of our Canadian railways are giving to-day. I ask hon. gentlemen opposite, were financial conditions in the United States ever better than they are to-day? Was the credit of the United States ever better than to-day? And yet we have eighty-five great railways in the United States in the hands of a receiver. Last night the Minister of Finance, in discussing this question, pictured what would happen when the Government took over the railway. He said that they would have to appoint a non-partisan commission who would operate the road in the interests of the people, and who would be absolutely free from political bias. That's an old story; we have heard it over and over again. The people of Manitoba heard it not very long ago when it was proposed by the Roblin Government, in which the hon. member for Winnipeg (Mr. Rogers) was then Minister of Public Works, that the people of Manitoba should take over all the telephones in the province, and run them without any political patronage and absolutely in the interests of the people. What has been the result? Telephone service in the province of Manitoba costs the people more to-day than it did before it was taken over, and it has shown a deficit all the way from $30,000 to $218,000 a year. It is notorious—and I am quoting now from the records of the Free Press—that whenever there was an election the telephone service was used for political purposes. The idea of running a road regardless of political considerations is something we have yet to learn in this country. The Minister of Railways (Mr. Cochrane) can tell us something about it. He had the experience not long ago of political pressure in the operating of a railway. Experience in connection with operating the Intercolonial railway leaves much to be desired, in the opinion of the Canadian taxpayer, as regards public ownership. Every hon. gentleman will admit that the Intercolonial railway has been a sink-hole for the money of this country. It would be interesting to hear a member from the Maritime Provinces who would say that those provinces would not have been better off if they had a privately-owned and privately-operated railway system—a system that would have developed their country. It is well known that where the Canadian Pacific railway have running rights along the lines of the Intercolonial, they get the business away from the Government-owned railway. If our experience in operating 1,784 miles of railway—and I think that is about the length of the Intercolonial—has not been profitable or satisfactory to the Canadian people, how does the Government think it can improve upon the situation by taking over 9,500 miles additional? For these reasons, I differ even with my friends on this side of the House, who have expressed themselves as in favour of government-owned and government-operated railways. I think government-owned and government-operated railways are a delusion and a snare. If the railways of this country are showing deficits, the Railway Commission should grant them an increase in rates. Everybody knows that the cost of labour has advanced in recent years; everybody knows a railway cannot be operated as cheaply to-day as it could be five years ago. If the railways show a deficit, why not allow them a reasonable increase in rates, because, after all, it is paid by the consumer, and it is just as well that he should pay that increased rate in freight as to take it out of another pocket in taxes. I fear I have already trespassed upon your time, but as representing the county of Huntingdon I wish to place myself on record as being opposed to this measure.

Mr. A. K. MACLEAN (Halifax): Mr. Chairman, I have not taken any part in the debate upon this Bill, and before it closes to-day I desire to address the committee very briefly on some phases of it. As far as the principle of the acquisition of the shares of the Canadian Northern Railway company is concerned, I find myself in agreement with the vast majority of hon. gentlemen on both sides of the House. that is, that in the failure of any matured alternative proposition, the acquisition of the shares of the company is about all we can do under the circumstances. I hardly am able to agree with those hon. gentlemen who have suggested liquidation proceedings and the appointment of a receiver.

There are difficulties in the way of that procedure, although I admit it has merits. But, we must remember that we are dealing with a railway system and not with a railroad. Upon this railway system there are quite a number of securities issued and, in fact, some of the securities issued by this company and guaranteed by the Government do not cover the entire system. It would be impossible, even if the road were forced into liquidation, to have a sale of the property as a system. It is possible to work it out, but there would be tremendous difficulties in the way and it would take a long number of years to put ourselves in the position that we will be in by acquiring the shares under this Act.

I rise, however, to direct the attention of the committee particularly to clause 4 of the Bill. This clause enacts that the arbitration to be appointed shall determine the value of the shares to be acquired and the arbitrators shall proceed in a summary way and may apply their own judgment in determining such value. The section proceeds to say that the arbitrators

> —may receive . . . such reports and statements authenticated in such way as they may decide and such evidence as they may deem necessary or helpful.

The matter at issue is really one as to the determination of the value that the company is to receive for the shares. That is the important question. If the board is unanimous in its finding there is no appeal and the value is to be determined upon the judgment of the arbitrators. Therefore, the question which will be before the Board of Arbitrators is a very important one and a very serious one for the country and for all interests involved. I think that every hon. gentleman will admit that this is an extremely difficult problem. In the first place, we are not acquiring the road by expropriation or condemnatory proceedings and we are not entering into possession of the property as mortgagees. We are involuntarily acquiring the road. The arbitrators will be confronted with the problem of deciding what principles will be involved, or invoked, in determining the value of the shares. It is important that we shall determine if we can, by statute, what principles shall guide the arbitrators in fixing and determining the value to be paid for these shares. Personally, I do not see much need for the appointment of a Board of Arbitration to determine the value of these shares. I think it might as well have been done by the Government themselves. They might have at least studied the matter, made a recommendation to Parliament and asked Parliament for its approval. I would just as soon take the judgment of some members of the Government as I would that of the Board of Arbitrators to be appointed.

They would, I think, be in a better position than this proposed board would be to determine the value. What is the position of the Government? They have the Drayton-Acworth report. They would have the testimony of their own auditors who have been engaged in the auditing of the accounts of the Canadian Northern Railway system for the past two or three years; they would have the evidence of the engineers of the Railway Department, who must know every mile of that system, because of examinations made prior to the payment of subsidies; they know the cost of the railway; they know the reproduction cost; they know its financial earnings and the cost of operation; they have just as good an idea of the prospective value of the railway as any board that could be appointed. I think, therefore, that it would have been in the interests of the country and acceptable to Parliament if, in presenting the proposal to acquire the shares of the company, the Government had recommended to Parliament what in their judgment was the value of the shares to be acquired. Then we should have been through with this question once for all and Parliament and the country would have known what they were liable for in this connection.

I said that difficulties would be encountered by the board of arbitration in determining the value. The valuation of a railway is quite a modern term; the idea is new. Prior to the days when railways were valued for purposes of fixing of rates, no one ever heard tell of the valuation of a railway upon this continent. I doubt very much whether the physical property of any railway system was ever valued in Canada, or in the United States, except within the past few years, when it became a matter of policy on the part of state and national Governments to fix the rates of freight to be charged by transportation companies. In determining the value of railways for purposes of fixing rates certain principles have been established. The question occurs to me whether the principles that have been fixed by utility boards in Canada and the United States will obtain when you come to fix, not for purposes of rate control the value of a railway which you are acquiring. As I said before, we are hardly expropriating the road;

the proceedings will hardly be condemnation proceedings; they are hardly like the proceedings followed when the value is being estimated for the purpose of fixing rates. So that the question arises; what principles will guide the board of arbitrators when they come to fix the value? In some courts of the United States it has been held that in the fixing of railway values for purposes of rate control and in the fixing of railway values for the purposes of condemnation proceedings—or, as we term it in this country, expropriation—different principles should obtain. One reason why I think the Government should have determined, by negotiation or otherwise, absolutely the amount which should be paid, if any, for the acquisition of the equity in the Canadian Northern system is that so many principles will be invoked by the owners and pledgees of shares that no one can say approximately what amount may be awarded by the board. The valuation will be determined by the board according to their own judgment; the judgment of one set of arbitrators might differ vastly from the judgment of another. If they are unanimous in their finding, notwithstanding the fact that the amount fixed may be absurdly high, there is no appeal. I think that the statute should set down some principle for the guidance of the arbitrators. Some hon. gentlemen who are lawyers can easily anticipate claims that will be made to establish the values. For instance, there is the franchise value, the market value, the strategic value, the value of good-will, and the going value. It has always been recognized in this country—at least it has in the United States—that there is such a thing as franchise value. The member for Calgary (Mr. R. B. Bennett) referred to a judgment delivered by Mr. Justice Brewer of the United States. I forget the name of the particular case to which my hon. friend referred, but I wish to give to the committee an extract from a decision made by this distinguished jurist upon the matter of franchise value:

> When by the taking of the tangible property the owner is actually deprived of the franchise to take tolls, just compensation requires payment not merely of the value of the tangible property itself, but of the franchise of which he is deprived.

There is little doubt that the franchise value will be urged as a basis for estimating the value of the shares in this particular case. I submit, however, that it should not enter into the judgment of the arbitrators. This franchise—at least, most of it—was granted by the Parliament of Canada, and as we propose to acquire the equity in this road, it should be clearly set forth that no allowance shall be made for the franchise value. In most of the provinces of Canada to-day municipalities impose taxes upon public utilities and directly and specifically tax the franchise. It may be that the Canadian Northern system franchise has, in some provinces or in some municipalities, been taxed. If we wish to avoid payment upon a claim of this kind, I submit that we should provide in the statute that no allowance be made by the arbitrators for franchise value.

Then, take the strategic value, which is referred to in the Drayton-Acworth report. The Public Utilities Board of the State of Washington some two or three years ago were engaged in the valuation of all the railway systems in that state for the purposes of rate control. That commission, perhaps not properly, decided that there was such a thing as strategic value in a railway. I think the judgment of the board was regarded by text-book writers and by jurists in the United States as not well founded.

I only refer to it for the purpose of calling the attention of the Government and the committee to the fact that, unless there is a statutory protection for the country in that respect, that the same argument will be invoked by the owners of the shares when they appear before the Board of Arbitration. The Washington State Board considered that where a road is so located that it cannot be paralleled and made to suffer from competition it occupies a strategic position which is to be recognized in the determination of value. There may be many instances where the Canadian Northern Railway system might well invoke that argument. For instance, I understand they pre-empted the only remaining route from Edmonton to the Pacific coast. I believe this is true, at least in so far as a great part of the territory of that mountain section is concerned. Are we prepared to entertain the suggestion that, because they pre-empted the only possible remaining route from the prairie country to the Pacific coast, their system has in this respect some strategic value and that therefore the arbitrators must consider that point in fixing the price which is to be paid by the country for these shares?

Then I want to direct the minister's attention also to two or three other principles which are involved in the fixing of values. I do not think the minister has given enough consideration to clause 4, and that there is not a sufficient limitation to the principles which the arbitrators may invoke in assessing the value. For instance, there is the principle of good-will and the principle of a going concern, or the going value. I believe going value is the term. Good-will and going value are principles well settled by the courts of this country and the courts of the United States. We know what they are. I do not intend to occupy the time of the committee with a statement of the substance of these definitions, as given by the courts from time to time, but I say that we should be careful that the Board of Arbitration may not invoke to too great an extent these standards which will enable them to give the owners of the shares a value which Parliament and the country never anticipated. In many well known instances in Canada and the United States arbitrators have taken the structural value of public undertakings and have arbitrarily added 10, 20 or 30 per cent. They have reached the value in this summary and arbitrary way. I submit that in the acquisition of an undertaking of this size we should be careful by our legislation to make it impossible for arbitrators in a summary and arbitrary way to fix an unreasonable value which cannot be corrected by Parliament or by any other power in this country if the arbitrators are unanimous in their decision. Public Utility Board in the state of New Jersey in a certain case which I have in mind, after having fixed the structural value of a public utility which was being acquired, said there should be added to that an additional valuation of 30 per cent. One may say that this will not be done, and cannot be done, in the case of the acquisition of the shares of this railway, but there is nothing to prevent it. It is true we are acquiring merely the shares, but you may be sure that the owners of the shares will invoke all these principles, when the matter comes before the Board. And, after all, when you come to fix the value, there is no difference between the acquisition of the shares and the acquisition of the physical property of the system. Then, in ascertaining the value of the road, the promoters' interest have frequently been considered. I could give to the committee a statement made by the late James J. Hill, an eminent railway man, well known not only to this country but to the entire world, who stated that in determining the value of a railway it was proper to take into consideration the time and labour of the promoters, and the facts that dividends had been deferred, and that they had received no payment whatever in connection with their promotion, except possibly some salaries. It is true, this statement which I have given to the committee as having come from James J. Hill was merely his own statement, given in evidence, before some body in the United States, but the principle has also been established by many courts in the United States, and particularly in recent years by Public Utility Boards.

I have enumerated to the committee only a few of the arguments and contentions which will be advanced and presented to the board of arbitration in fixing the value of these shares. The statute merely says that the board shall fix, upon their own judgment, the amount which shall be paid to the shareholders. Section 4 of the Bill does not pretend to lay down any principle by which they shall be guided, except in so far as the section is amended by the amendment presented yesterday by the Minister of Finance, to the effect that reproduction cost shall be based upon values of pre-war days.

Sir THOMAS WHITE: The hon. gentleman is overlooking the fact that an amendment has been proposed, to strike out the clause under which the arbitrators may use their own judgment.

Mr. A. K. MACLEAN: I have been referring to that. That is in the original Bill.

Mr. PUGSLEY: That amendment stood with the others.

Mr. A. K. MACLEAN: I was not aware that the words "apply their own judgment" were struck out, although, on reflection, I remember the Minister of Finance informing the member for Calgary (Mr. R. B. Bennett) a few days ago that he proposed striking it out. I am not sure there is any great value in striking out these words. I am not impressed with the view that the elimination of such words strengthens the section. I think they are still at liberty to apply their own judgment. I believe that section 4 should eliminate some of the standard principles which are usually invoked in such circumstances in the fixing of the values of public utilities or railway systems. I have mentioned only a very few of these principles. Many others might be mentioned, but I do not purpose detaining the committee at any greater length by

enumerating them or by any reference to them whatever.

I repeat what I said at the beginning, namely: that I regret that the Government, in presenting to Parliament their proposal to acquire the shares of the Canadian Northern, did not at the same time present their view as to the value of the equity in those shares. I have as much faith in the judgment of some of the members of Government as I would have in the judgment of the arbitrators who will be appointed—even more, because the Government would have a better appreciation of the public view of this question and would not be so apt to be influenced by the many specious arguments which, I know, will be advanced for the purpose of impressing the Board of Arbitrators as to what is the real value of these shares. I therefore think that even now the Government, with all the evidence they have before them—and they have practically everything that could be presented to the board—should undertake to re-open negotiations with the owners or pledgees of the shares and come to Parliament and state the amount, if any, which, in their judgment, is the value of the equity in those shares, and then let us dispose of the matter at once. But failing that, I say that section 4 of the Bill should be amended in such manner as to indicate, further than has already been done, the principles which should guide and influence the arbitrators in determining the value of the shares to be acquired by the Government of Canada, and specifically to eliminate some of the methods which are ordinarily invoked by the owners of public utilities in endeavouring to establish abnormal values for those utilities when acquired by governmental or municipal bodies.

Mr. SCHAFFNER: Although the Canadian Northern railway has many important branches in the East, that road is essentially a western road. It is a western road in its inception, and most of its lines are in the West. I wish to place on record a strong hope and desire that, whoever the arbitrators may be who are appointed to do this work, at least one of them will be selected from Western Canada.

I wish to refer for a moment to some of the remarks made by the hon. member for Huntingdon (Mr. Robb) who certainly was not very familiar with the facts. If I understood the hon. gentleman aright, he said that he never knew additional railways to cause lower freight rates. There is one instance of that, and that is the Canadian Northern. Every one from Western Canada knows that the building of the Canadian Northern in Western Canada had a very great deal to do with the lowering of the freight rates to farmers and others in that part of the country. He also referred to the telephone system of Manitoba. While that question may have nothing to do with the acquisition of the Canadian Northern railway, his facts were not correct in respect to that telephone system as he proved later on in his address. No other province in Canada to-day has a telephone system that is giving greater satisfaction that the telephone system of Manitoba. The hon. gentleman said that he was prepared to advocate increased freight rates for the reason that labour and everything else that enter into the carrying on of railways to-day cost more than they did a few years ago. He said that the telephone rates in Manitoba were higher to-day than they were a few years ago. That may be the case, but the citizens of Manitoba are to-day finding no fault with the bargain made by the Roblin Government in connection with the telephones of that province, and if it costs a little more to conduct the telephone system in that province to-day than it did five or six years ago, the reason is exactly the same as that given by the hon. member for Huntingdon why the freight rates should be increased. namely; that it costs more—and that is a question I need not elaborate—to run either freight trains or telephone systems to-day than it did a few years ago. I simply hope my request will not be overlooked, that one of those arbitrators may be selected from Western Canada.

Mr. SINCLAIR: This debate has lasted a considerable time, and we have not yet heard the last word on this question. I am somewhat surprised that we have heard so little from the opposite side of the House. There is a feeling that there is too much partisanship in Canada, and there is a revolt, I understand, against what is known as machine politics. I should suppose that we have never had a greater exhibition of what I would describe as machine politics than we have had in this House during this discussion. We are proposing by this measure practically to double, or more than double, the public debt of this country, and since three o'clock this afternoon—it is now after one a.m.—hon. gentlemen opposite have not responded at all to the challenges that have been thrown across the floor from this side of the House. They have practically been dumb in the

face of the arguments that have been put forward from this side of the House to show why this Bill should not pass. I say that is machine politics with a vengeance.

Mr. PUGSLEY: They will speak when no one can answer.

Mr. SINCLAIR: The Minister of Finance has succeeded in gagging every man who sits behind him, with the exception of the hon. member for Souris (Mr. Schaffner), who is the only man we have heard on that side of the House since three o'clock this afternoon. I have had the honour of a seat in this House for the last twelve years or more, and I have never until to-night, seen a case in which the Opposition was able absolutely to silence and cow the Government on a question that came up for discussion. If there was any justification at all for the proposal of the Government, do you not think, Sir, that some arguments would have been presented from the Government side? But we have had the the spectacle of hon. gentlemen sitting dumb while argument after argument has been put forward from this side of the House to show why this measure should not pass. Is it any wonder that we are suspicious and think that some sinister influences are at work on the other side of the House to keep them silent? Is it not proof of the statement that has been made by hon. members on this side of the House, that the money-masters of Toronto are influencing the Government in this matter?

We are proposing practically to double the public debt. Hon. gentlemen opposite have said that we are getting something by the transaction, that we are getting an asset. The test of an asset, to my mind, is what it will produce. Does any hon gentleman in this House expect that this is a good investment, or that it will produce even running expenses and interest? This railway system is not now producing running expenses and interest in the hands of private owners, who are doing everything that can be done to make money out of the system. Our experience of government ownership is that a government cannot do as well as a private company. It is not to be expected, therefore, that this Government will be able to do anything more than pay the running expenses out of the earnings of this road, and they will do well if they succeed in doing that. If we are adding over $400,000,000 to the public debt—I do not put it at $600,000,000, although I believe it will reach that figure in the end—

the people will have to pay interest on that debt. I have the honour to represent a county that has not been fairly treated by this Government, or by former Governments, in railway matters. I am sorry to say that I represent a non-railway county. I represent men who have all their lives been paying the interest on railway subsidies for the benefit of other parts of Canada, and it is a serious matter for the people I represent to know that their burdens in that respect are to be doubled without any expectation of the enormous expense that is being incurred being of any advantage to them, or of very little advantage. This doubling of the public debt is a serious matter, because we are now paying such an enormous interest on the money we have borrowed. When this Administration came into power the Government could borrow money easily at four or four-and-a-half per cent. They are now paying the enormous rate of about six per cent; that was the rate paid for the last loan which was floated.

I want to direct the attention of the Minister of Finance to the fact that the savings of the people of this country, which are very large, are bringing only three per cent. How is it that the Minister of Finance has not managed to secure some of this enormous sum of money that is packed away as the savings of the Canadian people, for which they are getting only the trifling rate of three per cent, when at the same time the minister is floating bonds among the millionaires of New York, and among our own millionaires at home, at the rate of six per cent? I have a friend in Nova Scotia, a merchant who has now retired from business and is doing some thinking on matters of this kind. In a letter to me recently he asked me to ascertain how much the savings of the people amounted to, which were netting them only three per cent interest. I asked the question in the House a few days ago, and the Minister of Finance answered as follows:

Mr. Sinclair:

1. What was the total amount on deposit in savings banks of all kinds in Canada on June 30, 1917?

2. How much was on deposit in Government savings banks at said date?

Sir Thomas White:

1. Approximately $998,856,922.61.

2. Dominion Government savings banks, $13,167,436.64. Post office savings banks, $41,105,644.92.

So that in the Government savings banks of both kinds there was the sum of $54,273,-081.56. While the savings of the people

amounted to $998,000,000—practically a billion dollars—the Minister of Finance was able to secure only $54,000,000 of that money for the use of the country. Would it not be a good thing for the people of Canada, and a good thing for the revenue of this country, if the Minister of Finance, instead of taking trips down to New York and paying New York millionaires six per cent for the money he borrows, were to give a little more interest to the people who have deposited their savings in the banks of this country, or at all events were to secure the savings for the use of the public?

Is it not an amazing thing that we have the enormous amount of about one billion dollars on deposit, nearly all in the commercial banks, and that the Government has not been able to secure more than $54,000,000 of that amount? There must be some reason for it. Is the reason that the Government is endeavouring to favour the banks and leave all this money under their control so that they may borrow it from the people at three per cent, and lend it to the Government at five or six per cent, and charge the people who borrow from them as high as seven per cent or eight per cent? It looks that way. It looks as if the Minister of Finance was standing in with the money-masters of Toronto. The merchant who wrote me made this remark in his letter in regard to the loans which have been made recently in Canada:

> How do matters stand re Government war loans? If I understand the situation the United States Government issued its celebrated Victory Loan at three and a half per cent and paid no commissions. This for 2,000 million dollars was a smaller proportionate issue than was $350,000,000, the amount of the three issues in Canada for the Dominion. We paid from one-half to one-quarter of one per cent in commissions, say $1,250,000, and sold five per cent bonds at 97½. Our $350,000,000 thus netted us $340,000,000, and as we pay five per cent on the face value, we pay 5.15 per cent on the net amount.

He was not speaking of the last loan but of the first three.

> The average duration of these bonds is fifteen years. How do we compare in our financing with our next door neighbor?
>
> 340 millions at 3½% for 15 years amounts to $178,500,000 interest.
>
> 340 millions at 5.15% for 15 years amounts to $262,650,000 interest.
>
> A difference in favour of the United States of $84,150,000.

That is to say, on a loan of $350,000,000 for 15 years, and the Canadian people will have $84,150,000 more to pay for interest than will the people of the United States. The President of the United States called the financial men together and explained to them that he wanted a victory loan—a loan to carry on the war—and the bankers were so generous and so willing to help that they agreed to his proposition, and this enormous loan was floated without one cent of commission having been paid. The Minister of Finance has paid a very large commission to his friends the Canadian bankers. Not only has he done that, but he went to the United States a few weeks ago and paid an enormous commission to the brokers and bankers there—$3,750,000 in commissions, a quarter of a million dollars of which went to one of the Canadian banks, or to a certain gentleman in the city of Montreal. That is the way my hon. friend has financed his loans. It becomes a serious question.

Sir THOMAS WHITE: My hon. friend is doing an injustice to the Bank of Montreal. I made a statement yesterday correcting a report which had appeared in connection with that.

Mr. SINCLAIR: Do I understand the minister says now that he did not give any commission to the Bank of Montreal?

Sir THOMAS WHITE: A rebate of one-quarter of one per cent of the commission was obtained for the Government by the Bank of Montreal.

Mr. PUGSLEY: What was the commission paid?

Mr. GRAHAM: One and three-quarters per cent.

Mr. SINCLAIR: Does it not mean that the Bank of Montreal receives one-quarter of one per cent on the whole loan?

Sir THOMAS WHITE: No.

Mr. SINCLAIR: How much does it receive?

Sir THOMAS WHITE: My recollection is that on a previous loan it was one-thirty-sixth.

Mr. SINCLAIR: Every member in the House understood it as I did. In any case, I do not care whether the Bank of Montreal got the money or not; I would prefer that the Bank of Montreal should receive it rather than have it go to the New York brokers. The point is, the minister paid altogether too much for his commissions in view of the fact that the president of the United States is able to float an enormous loan of two thousand millions without paying a cent in commissions.

We have to take our choice in regard to this matter. There are two ways of dealing with it. We on this side of the House propose that we should assume control of the Canadian Northern railway system under the legislation of 1914. The proposal of the Government practically admits that there is value in this stock. They do not say how much that value is, but by the proposal they are making to the House and the country they admit there is some value. The owners of the stock claim it is worth $60,000,000, and by passing this legislation we run the risk that the arbitrators may decide that it is worth $60,000,000. If they do, the people of this country will have to pay for it. The legislation of 1914 was carefully explained by ministers and by hon. gentlemen opposite at the time it was going through the House. We were told that if the Canadian Northern Railway company, or Mackenzie and Mann, made default in the future, after having received this large advance of $45,000,000, we had machinery in this statute to take possession of the road without foreclosure and without any legal proceedings. Why not do it? We were asked in 1914 to advance this $45,000,000, and we were told that that was the last time we should be asked to advance money to that railway, that the Canadian Northern people were not to come back to us, and if they did we should be in a position to deal with them. It is now proposed to hand out a large additional sum to these people. The statute of 1914 is clear. No one pretends to dispute the fact that it contains provision for taking over the road. The Prime Minister said so; the Minister of Finance said so, and the Solicitor General, who drew the Act, so explained it. Hon. gentlemen on the other side of the House made speeches on that occasion which form part of the history of this affair ,and they all told us in the plainest language that if default was made this Act of 1914 would be resorted to, and that it would be effective. The Minister of Finance was satisfied. He used this language:

> I take off my hat to the Solicitor General for the way in which he has performed the legal work in connection with this transaction. I was dealing with the question of remedy upon default—

Well, that is the question we are dealing with.

> —and was pointing out that we have a much better control than would be afforded by the security of a majority or all the stock of the Canadian Northern.
>
> [Mr. Sinclair.]

That is to say that, under the Act of 1914, we were in a bettter position than we shall be in now by taking over the stock of the company. Will he not admit the principle that it is his duty to do the best he can for the country as the Minister of Finance and as the trustee for the people? He made the positive statement that this Act of 1914 put us in a better position than if we owned all the stock of the railway system. He now proposes to take the stock of the railway system and he refuses to resort to the remedy that he provided in 1914. There is no good reason for it. The Prime Minister put himself on record in the plainest language to the effect that we had under this Act of 1914 a perfect remedy, and that if the circumstances arose which have arisen it would be effective. This is what he said:

> It is also provided by clause 24 that if authorized by the Parliament of Canada, the Governor in Council may in case of default declare that the interest of Mackenzie and Mann in the Canadian Northern railway is absolutely barred and foreclosed and that all the property and assets thereof subject to any outstanding obligations shall thereupon vest in the Crown in the right of the people of Canada.

There is no suggestion of arbitration there. He simply says in the plainest and most forcible way that if default is made this property will pass to the Crown for the right of the people of Canada without paying Mackenzie and Mann any additional money therefor. The Prime Minister further said:

> The enterprise must proceed. If the expectation of those who believe the enterprise can be carried to a successful conclusion are disappointed, then a summary method has been provided by which the road can be taken over, the system reorganized and either be transferred to another corporation constituted for the purpose or pass into the ownership of the people.

There is no suggestion of arbitration there and there is no talk of confiscation. Hon. gentlemen have been telling us that it would be confiscation to take this road under the Act that is provided, the Act of 1914. I submit it is not confiscation. We are not taking anything from these people. In the first place they did not put a dollar into this stock. We know how this stock was constituted; we made it here. We did the whole thing ourselves. It is absurd to talk about confiscation; we know that there is not a dollar of money in it. We know that any right they may have had, has been forfeited by the default they have made.

The CHAIRMAN: Will the hon. gentleman be kind enough to bring his remarks to a conclusion?

Mr. SINCLAIR: I am just through. I regret that I am not permitted to say all that I would like to say on this important question. I want to say, however, that I am decidedly opposed to paying any more money to Mackenzie and Mann. They have already become millionaires at the expense of this country and there is no reason why the country should be mulcted in a large sum of money to take over this stock when under the law of the land, under a law passed by this Parliament, we have the right to assume control and to take it over without the payment of any money.

Mr. R. LANCTOT (Laprairie-Napierville) (translation): Mr. Chairman, as the representative on one of the finest counties of the province of Quebec, as representative of an agricultural county, and being myself a farmer, I believe I would not be doing my duty if I did not protest, as strongly as I possibly can, against this iniquitous legislation whereby the country shall be mortgaged for the pretty amount of $650,000,000.

I put the question to you, Mr. Chairman, is it decent that a measure of this importance be referred to us, be imposed upon us by a Parliament which, for twelve months, has had no mandate from the people and after the Government have, on several occasions, through the right hon. Prime Minister, pledged themselves, were the Parliament's existence extended, not to introduce into the House any contentious measure? Messrs. Mackenzie and Mann's railroad has received large subsidies both from the federal and from the provincial government, as well as from various Canadian municipalities. With such subsidies reaching so fabulous a total, we should be led to believe that this railway would have been a success, but I think it is rather the contrary that has been the result. According to the Minister of Finance, the railway is in bankruptcy, and I think I am right in believing that Messrs. Mackenzie and Mann are actually worth millions.

Since 1911, the Government, who seem to have a great deal of affection and of gratitude for Messrs. Mackenzie and Mann—and I do believe that they actually owe them a debt of gratitude for the 1911 election—have always come to us, at every session, and asked us to assist the Canadian Northern by way of bond securities. Finally, in 1914, the Government made a contract with Messrs. Mackenzie and Mann. For my part, I would have thought that the solvent party should have taken 60 millions of the 100 million obligations and that the insolvent party should have held the balance, i.e. 40 millions. But, nevertheless, the railway company took good care to keep the majority of the bonds, in order to be able, later on, to have the Government pay them their 60 millions; so that it is the insolvent party who manages the business, that is to say, Messrs. Mackenzie and Mann. As many other members who have spoken before me, I am of the opinion that it is not necessary to buy 60 million worth of stock to become the owners of that railway. It seems to me that the purchase of 11 millions of that stock would have been sufficient to become the masters of the situation.

For my part if this railway is in bankrupty, I would rather prefer letting it go into the hands of a receiver, then, at least, we would know the actual amount of the company's liabilities as well as the financial standing of its promoters; we would also find out how many millions those gentlemen have invested in private enterprises in Mexico, in South America and even here, in this country. Is it not a fact, Mr. Chairman, that Mr. Mackenzie lives in a magnificent palace in Toronto, estimated at two or three million dollars, I believe? If such is the case, how is it that a man obliged to sell the Government an insolvent concern, can nevertheless find the means of living in luxury in a palace and that, meanwhile, the people are taxed to the utmost in order that these gentlemen may live at our expense?

Let us now pass to the financial side of the question. If we add to the National debt those new liabilities we are to take over in consequence of this Act, we reach the incredible sum of $2,500,000,000. Under such circumstances, how can any one pretend that the people of Canada can run the war and the railways besides? For my part, I unhesitatingly declare that it is time, more than ever, to stop both the war and what I would call the railway scheme.

In this railway policy, I see the repetition of the old story: elections are at hand. Indeed, what do we find? Messrs. Mackenzie and Mann spend almost every night with the ministers or with the Prime Minister himself, in order to have the conscription Bill passed. Sir William Mackenzie is here, in Ottawa, since the Premier's return from England; they have worked together, to impose upon the people of this country this nefarious conscription Bill, thinking it would be most popular, that the whole country would welcome it and that it would allow the formation of a coalition government. They wanted the peo- of this country to swallow that pill. It is always those same people, those same individuals we see behind the curtain; Mac-

kenzie and Mann are there, surrounding the politicians, making victims almost every where, among the Conservatives and among the Liberals.

What happened in British Columbia? There, as every where else, Sir William Mackenzie made victims. His ways are well known. In election times, he has a few thousand dollars delivered to one political party and gives ten times more to the other. When he wants to have a politician on the jump, he sends to him one of his creatures with some ten or fifteen thousand dollars, in order to make a slave of him and later on if that fellow does not toe the mark, he does not hesitate to denounce him.

I do protest most forcibly against the manner in which the Government are treating Mackenzie and Mann.

Would the Minister of Finance, who attended that Toronto meeting, during the 1911 campaign, tell us whether it is not the same Mackenzie who, then and there, said to both Conservatives and Liberals who were against reciprocity: Draw on me in order to defeat Laurier. Don't you run away with the idea that he was offering his own money, no, it was the money he had obtained from the Canadian Government.

That is how the people is treated, but woe to those bed-fellows of the Minister.

Indeed, that is the way we are treated in this country, but I hope the day is not far distant when the people will judge those who are always tied to the apron-strings of these gentlemen.

I said, a few minutes ago, that the clause was very plain. Indeed, according to the agreement between the Government and Mackenzie and Mann, if the latter did not meet their obligations, the Government had the right to say: Stop! What is there to prevent the Government from declaring these gentlemen in bankruptcy? It would be desirable to put that railway into receivership; then we could see the situation of the provinces who have incurred liabilities to have railroads in their own territory. British Columbia has guaranteed debentures to the extent of $47,000,000; Ontario, $7,000,000 and over; Saskatchewan, $18,000,000; Alberta, $35,000,000 and Manitoba, $24,000,000.

We, of the province of Quebec, who shall be called upon, as all the others, to pay our share, we have had nothing from Mackenzie and Mann. Fortunately, we happened to have a Prime Minister in Quebec who drove back those gentlemen, he refused to be approached, he never slept over night with Mr. Mackenzie and I congratulate him for it. Nevertheless, we shall be called upon, we of Quebec, to pay our share for these scandals in British Columbia.

What need was there of the Canadian Northern extending their line up to the Pacific ocean? Now, there was no necessity for it, save to serve the purposes of British Columbia politicians, in order to allow these fellows, in election times, to have electoral funds and to put out the party then in power, as was done in British Columbia; but the people, a little later, perfectly enlightened, drove the other party out of power.

I once more protest against this Government who are about to impose such a policy that we, of the province of Quebec, shall be forced to pay our share just like all the others; I protest with all the energy that is in me against such a state of affairs.

I say therefore, as to this railway question, so far as I am concerned, that I do not want the State to administer our railways. I know too well the character of politicians and I know too well that the people may be too often fooled by politicians. Besides, if it is managed by a Government who never think of anything but patronage, how can you imagine it can work out all right?

I sincerely believe that a day shall come, at no very distant date, when the Government of Canada must settle, wholly or partly, this railway business and get rid of these individuals, but I wish that, in return, those same railways, which are existing for the country's benefit, after all, be operated by private companies, such as the Canadian Pacific, for instance.

Do you believe, Mr. Chairman, that if the Canadian Pacific had fallen into the hands of Mackenzie and Mann, it would be as prosperous as it is to-day? No. It is in other hands; it is in the hands of a man, whose name is Lord Shaughnessy, an exceptional manager, who has banished all patronage on that railway and who does not employ three men on one man's job.

We have the Intercolonial which has never paid the country since it has belonged to the Government. I say that we have enough of it; I say that if the other railways must fall into the hands of the Government, the latter should have all these lines operated by a private company for the best interests of the public, generally, and for those of the public Treasury.

Mr. Chairman, I will not detain you any longer, because I am afraid of the gag.

Mr. ALPHONSE VERVILLE (Maisonneuve) (translation): Mr. Chairman, as representative of such a large city——

An hon. MEMBER: Louder.

Mr. VERVILLE: Even should I speak any louder I do not believe you would have the advantage of understanding me, but that is no fault of mine, for, as you may know, Mr. Chairman, in this world of ours animals and insects generally speak one language, but not always two.

As representative of such a large city as the metropolis of Canada, I believe it is my duty to give my opinion, for what it is worth, upon the question now before us. Since the beginning of the war, two words have often been used in this House: justice and equity. It is really the proper time to say they are rather empty words and I believe that it would be better to change them. As to the legislation now before the House, I hope the hon. Minister of Finance will not venture to say that there is in it a sum of justice for the people of this country, nor could he say either that there is any sum of equity. I am not opposed to the idea of nationalizing the public services; I have studied some at that school of nationalization which has for principle to manage for the people, by the people, and for the benefit of the people, any enterprise, any commercial industry or even to use a general expression, any public utility whatsoever. The question now before the House is not a matter of public interest, that is to say a profitable one from the people's point of view. If the present Government had really meant to practice what is called nationalization, they would have found out from the very beginning, some means for taking over the Canadian Pacific railway which brings rather high dividends and, by doing so they would have succeeded in making of the Canadian Northern a paying concern. As to the increased burden which they intend saddling upon the people of this country through the purchase of this railroad, I might say it is scandalous, if such a term is a parliamentary one, because in the long run the masses are always those who have to foot the bill.

I am not appealing just now to the high magnates of finance, for to-day these gentlemen have succeeded in piling up colossal fortunes through profiteering at the expense of the people in general, the country over, in towns and villages, are, in consequence, and I might say, for having knowingly robbed the people, made the recipient of favours at the hands of His Majesty.

The people who are called upon to pay, who must always pay anyway, are asking themselves at the present hour, and rightly so, whether the proposal submitted to the House is really in their own interest, when it has been shown by all those who have preceded me in the course of this lengthy debate, that all we have to do is simply to apply the Act of 1914, which you have yourself, Mr. Chairman, so well defended in those days.

The Act of 1914 is either good or bad, but the mighty dollar, that earthly domineering divinity who has it in his power to move even mountains, and finds it an easy task to control a government, and have it decree that this railway is to be taken over by the State, so that Mackenzie and Mann's millions may remain untouched, and that these gentlemen may keep on junketting through out the various countries of the world.

Mr. Chairman, I do not know whether they are the object of as much consideration in foreign countries as in ours, but, after all I think the idea is to safeguard the interests of these two gentlemen who, as I just said a moment ago, have been the recipients of His Majesty's favours.

Of course, I fully realize, Mr. Chairman, that the poor man who, in a time of stress, of scarcity, would enter a store and steal a loaf of bread to feed his family, would be quickly sent to jail for six months; but the gentlemen who robs a bank or a country, through a railway deal or otherwise, would become the recipient of the favours of His Majesty.

Mr. Chairman, the principle of public ownership, whether by the State or by municipalities excludes all idea of profit from its operation. I understand that this proposal does not allow of any profit making since the company is insolvent. If such be the case why should the Canadian people be called upon to foot the bill? Are the people able to do it? Are the plain people in the towns and rural districts in a position to do it? Why should the Government exact that from them because these two men have grown rich at the people's expense? Now they are intent on safeguarding the millions these men have accumulated for reasons I am not ready to expound but which may be readily suspected.

Mr. Chairman, I heard the other day, or rather I read in Hansard, that the Prime Minister had decided that this session was too far advanced for us to attend to the increasing of the soldiers' pensions. Since the report has been issued the cost of living has increased to such an extent that it is very hard for the soldiers' families to make ends meet. It matters very little, of course

that the families of our soldiers at the front be reduced to living on charity, that they be obliged to knock at the door of public charitable institutions; that matter can well await settlement for a year longer, but it is of importance that Mackenzie and Mann should be granted at once $60,000,000 or more.

To those who have increased the national debt, the sufferings, the hardships which the city and country workmen have to undergo are of no consequence; neither is the burden of taxation they have had to bear for several years past. The only important consideration for the moment is to please Mackenzie and Mann.

As to State ownership of railways, under the present conditions—as I have just said it, I do not wish it to be understood that I am against such a scheme. I say that providing a system of State ownership which brings no returns or does not make both ends meet would be a most criminal thing to do.

If, on the other hand, a railway system can be made through any machinery whatever to give good returns or meet its expenses, I say it is the Government's duty to take it over and have the public get the benefit of it.

In France, Belgium, in Switzerland and in England likewise—I might also mention Germany, but I must not do so for fear of offending some touchy people in this House—when it came to instituting State ownership, the matter was taken up by the various governments of those countries along lines quite different from those followed here. I am prepared to say that the great majority of the people of this country are against the system which the Government intend applying to the Canadian Northern. I may say, by the way that I know that the Prime Minister has recently received a stern resolution from the Trades and Labour Council of the city of Toronto, and I know that the city of Montreal, which I represent, has also protested on the same grounds.

Some one mentioned here, to-day, the names of the business men who signed that statement recently published in the press. Among those names was quoted that of my friend, Mr. Ainey, one of the Montreal city controllers, and it may have been inferred from that that he was a business man, or the head of some big concern or of a powerful financial institution. Such is not the case. He was included because he represents a large city; they wanted his name to appear along with those of eminent citizens of this country, so as to show that there was only one class opposed to this legislation, but all classes of people were averse to it.

Now, Mr. Chairman, I very much doubt that the Minister of Finance will be able to float in the United States the loan which not only one class opposed to this legislation, but all classes of people were averse to it.

Formerly we heard the cry: Have nothing to do with the United States. It rang loud enough in our ears in 1911. We should not be overanxious, Mr. Chairman, for I believe that, after the war, the considerable amount we shall be owing to our American neighbours across the line, will probably open our eyes and we must not then be so touchy at seeing the stars and stripes waving at various points along the frontier.

There is no reason to fear mentioning certain things which are actually a menace in the minds of our rabid imperialists; they also know of them, but they do not mention them; and should anyone dare refer to them, he is charged with being a disloyal subject of His Majesty.

Mr. Chairman, I have not yet reached my time limit, I believe, but I will not exceed it, although in 1913, when the Government—whose worthy committee chairman you are—applied the rule we are now made to endure; the right hon. Prime Minister then granted me I remember, an extra twenty minutes. I do not intend to go beyond the limit, for the subject has been fully threshed out, but I wish to protest in the name of the city of Montreal, which is not the least in the Dominion, I desire to protest on behalf of all classes of its people. I wish to protest on behalf of the working men who will be called upon to pay their full quota; I want to protest in the name of those who, as the hon. member for St. Hyacinthe (Mr. Gauthier) has so well put it last night, are now indebted to the amount of $300 per capita.

The hon. member for St. Hyacinthe protested in the name of the numerous families of his county; have I not the right, also, to think of the numerous families in my own constituency whose rights it is our duty and our right to safeguard? I know that it will not prevent this Bill becoming law and that the people shall just the same be obliged to bear that burden for our big capitalists, for those good nabobs who will go on junketting trips across the seas and who will heartily scoff at those poor Canadian people who are so efficiently contributing towards protecting their millions. We

are going through a period when millionaires are numerous; I will give the Government a fair warning: the more the class of millionaires is increasing in any country the more that country's social foundations are shaken, you cannot create a large number of millionaires without impoverishing in a like measure a multitude of individuals. I see in this House the hon. member for St. Antoine (Sir Herbert Ames); I am quite certain he will not miss this opportunity and that he will rise and strongly protest against this Bill, on behalf of his good friends who have put their signatures to the official protest of the city of Montreal. I do not doubt that he will say to the Government: You are going too far; if State ownership of this railway is in order, you have only to use the power conferred upon you by the enactment of 1914. I will now ask the hon. member for St. Antoine, if the large firm which he is managing were threatened with bankruptcy, would the Government be ready to grant him the same favour they are to-day granting to Messrs Mackenzie and Mann? What is there to prevent another manufacturer from asking the same favour, provided he be as high up as these other gentlemen in the favour of the Government? He may say to the Government: There is only one way to prevent me from losing my millions, for I am on the road to bankruptcy; please be kind enough to take over the industry whose manager I am, and thus allow me to keep the millions I have dishonestly accumulated; in a word, you can well do for me what you have done for a railway system. Would not all the manufacturers have the same right to come and individually ask the nationalization of their undertaking, from a public utility point of view, just as Messrs. Mackenzie and Mann? It is under these circumstances, Mr. Chairman, that I will register my protest, in the name of the city of Montreal, in the name of the country workmen, because I say they are the great mass, that they form 80 per cent of the population of the country who shall have to pay the debt which they intend saddling upon the country to-day; and who can assure us that there is not more coming?

Mr. C. A. WILSON (Laval) (translation): Mr. Chairman, I will not ask you to keep your eye on me, for your official position does not permit you to watch anything but the hand of the clock marking the hours which will take us up to two o'clock that fatal hour of the day which shall follow this one.

I will not ask you to listen to me, because you are impatient, officially, to hear the two strokes of that clock which, like unto the mechanism of a safety vault, will open at two o'clock sharp the doors of the Public Treasury to-morrow morning, and thus allow the smiling Finance Minister to freely enter, the voice of the last keeper of the treasury having then been stifled.

In rising, Mr. Chairman, I have not the least pretension, not even the pretension that any argument I might make would in any way advance our cause. The only pretension I may have is based upon a most mathemathical and mechanical truth, that I will only advance the discussion by twenty minutes and that is all. What proposition is there now before us, Mr. Chairman? A money proposal.

When, in 1913, the closure was imposed upon us, I believed, in my "candeur naïve"—to use the poet's expression—that the Government then in power would only use such a measure under most extraordinary circumstances: when the country's safety would be at stake, when any invasion from any foe whatever, would put the country's security in dire peril. But not at all, Mr. Chairman, for the second time closure is applied, and it is about a money matter. The first time this measure was applied, if my memory serves me right, it was a question of some $35,000,000 which the then government wanted to take from the national chest to make a gift of it to the mother country, England, for a well known, plainly stated object, there was no possible equivocation. The idea was to increase the empire's nava' force, to pay a certain amount to the imperial treasury, for the construction of three dreadnoughts, at an approximative cost of some ten or twelve millions each, if I remember well. We objected to that proposition made by the Government, although the House was perfectly informed as to the nature of this expenditure, of the application of this money, of how it should be employed, and for my part, I never thought, for one moment, that the $35,000,000 which we were to put into the hands of the British Minister of Finance would be wrongfully expended; but we objected to the very principle of the Act, we said—and rightfully so—that if we had $35,000,000 to spend, it were better to spend them for a Canadian navy than to aid the imperial admiralty, and events have justified us.

I will not further refer to that political episode, only to recall what I was saying

a moment ago: that it was on a money matter that closure had been imposed upon us.

But to-day, Mr. Chairman, what is the question? To go and take from the public treasury more than $600,000,000, and for what enterprise, for what object, for what people? The enterprise is well known to us; it is the acquisition of the Canadian Northern railway. What are this railway's obligations? What is its financial standing? Nobody knows it. And this assertion of mine although brought in very late in the debate, seems to me to be absolutely justified.

Into whose hands will this money be turned over? If the hon. member for Calgary (Mr. Bennett) had not denounced these two men as two robbers, two undesirables, two men that should be now put out from the public life in this country, I would not take it upon myself to qualify them as he has done, but I only take up the words as they have fallen from his own lips. Some 40 or 50 millions, at least, shall be paid over to these two gentlemen, if not individually, at least to the company they stand for, Mackenzie and Mann. On this point, the House is perfectly informed and can speak out.

As to the 60 million stock, generally, what information does the hon. Minister of Finance give us? Here is what he told us on August 7, instant, in answer to the question put to him by the hon. member for Rouville (Mr. Lemieux). And it is easy to understand that an ordinary member of this House may not be perfectly informed as to the financial standing of this company, but when a Minister of Finance, having the aid of all his colleagues in the cabinet, the aid of a report given by such experts in railway matters as Sir Henry Drayton and Mr. Acworth; the aid of the financial experts who have assisted him personally; the aid of his own employees, the officials of his department, and in fine, aided by his long experience which qualifies him, and justly so, as one of the most able financiers whom this country has produced—and I was going to add, not only this country, but any neighbouring country throughout North America—what does he tell us about it? I know nothing at all.

The Hon. Mr. Lemieux, in that sitting of August 7, not three weeks ago, and since then no other information has been given to further enlighten us; thus spoke upon this subject:

[Mr. C. A. Wilson.]

Mr. Lemieux: Might I suggest to the Minister of Finance that it would be well that a list of the shareholders and bondholders be added to the documents which have been printed. I assume the list is not so long that it cannot be easily printed and distributed.

Let us admit that the printing of it would have taken some time, but let us put aside this detail. What was the answer?

Sir Thomas White: I am afraid that would be quite impracticable. The securities of the companies are bonds, debenture stock, which have been issued largely in Great Britain. It would be quite impossible to ascertain the bondholders, because they must be thousands in number as in the case of any corporation in this country. The securities pass from hand to hand, and an owner to-day might not be an owner to-morrow.

What! No list of the shareholders! When it is admitted on the other side of this House that the greatest portion of this capital stock, not to say the totality, is qualified by this well known term in the financial world as being watered stock to which a full value is meant to be given. He goes on:

The Canadian Northern made some short term loans in New York and the same remark would apply to those. I think there is full information in the printed document as to the financial position of the company. The securities outstanding, the amount of the floating loan and other liabilities, are all shown in the statement certified by the auditors of the company.

If there is any other special information that would seem necessary in order that the committee might come to a determination upon the matter, we should, of course, endeavour to obtain it. I do not see what bearing the matter of the owners of the securities has upon the question. The transaction, although one of magnitude, is in reality a very simple one, namely, to acquire the outstanding stock of the Canadian Northern Railway Company which controls all the underlying companies. We have pretty full information as to all matters relevant to a consideration of the resolution.

How is it, then, that the statement furnished to my hon. friend seems so plain to him; how is it that he found it impossible to give any further information?

Now, Mr. Chairman, they want to cover this proposal under the expression of "Railway nationalization." I have in my hands a pamphlet, written by Sir Thomas Tait, about railway nationalization and, by following the same argument, it is an easy matter for me to reach the same conclusions he did. He rightfully objects to the Government taking over one railway line alone, for the good reason that the Government will find themselves in the position of making such a strong competition to the other railway companies that competition would become utterly impossible, and the genuine effort of any company absolutely

paralyzed. Here is what he says upon the subject, I beg leave to quote only a short extract of that work, dated April, 1917, and entitled, "A solution of the Canadian Railway problem."

I presume the hon. Minister of Finance has read this pamphlet and, if he has done so, he must have found some inspiration in the strong arguments set forth by Sir Thomas Tait in support of his theme.

I am quoting:

> Competition between State owned and operated railways and Company railways is inequitable and unfair to the private investor in the latter. Money for construction and equipment can, generally speaking, be borrowed or obtained by the State on considerable better terms than by companies, and therefore, State railways are not expected or required to earn as large a return on their cost as investors in company railways, especially shareholders look for and should receive. If everything else therefore be equal—an important and improbable proviso—the rates and fares on State railways are liable to be reduced and indeed as a rule are reduced, and train services and other facilities are provided beyond what the traffic and other conditions warrant, and these lower rates and fares and these unjustified facilities must be conceded by competing company railways if they are to obtain their fair share of the traffic.
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> In view of the possibility, if not the probability, of the Dominion being compelled to take over the Canadian Northern system and the Grand Trunk Pacific railway from Winnipeg to Prince Rupert with its branch lines, the question arises whether in such event the difficulties and disadvantages of State administration, on the one hand, and the injustice of State competition with private entreprise, on the other hand—both of which will be greatly aggravated and increased should the present State railway system be extended from Winnipeg to the Pacific Coast and throughout our Western Provinces—might not be avoided.

They will perhaps answer me that the Government programme, to-day, is but the completion of the work of a former government who had created the Intercolonial. I do not remember the times when the Intercolonial originated, but, if I rightly remember my history, the construction of that line was one of the conditions of the confederation. The maritime provinces did not want to enter into a confederation with the provinces of Quebec, Ontario and the West, unless their communications were made easier with the central provinces and the Northwest territories. As I have already said, that was one of the fundamental conditions of the confederation compact, and I ask the hon. members of this House—the Minister of Finance, in particular—God knows the miseries of all kinds the Intercolonial has caused to every administration. How can you help applying these words of Sir Thomas Tait, which I have just quoted, to the other railways which the Government want to either take over or buy for their own benefit? The policy inaugurated by the present Government, in pursuance of Bill 125, involves consequences so serious that I might suggest to the Government that this policy is important enough to justify a referendum; just as much as such a consultation would have been justified in the case of conscription. What! We intend taking $600,000,000 from the public treasury; we would have the country to become the administrator of such a big railway system without even consulting it! If the question was the creation of a new line, I would perhaps not denounce this proposal so vigourously; but, in the face of the situation created by the war, I am asking myself whether it is not inexcusable to govern a country without even consulting it upon such an enormous expenditure.

Here is an entirely new policy, and if we have seen fit to consult the people upon a simple question of tariff and of reciprocity, I ask whether, with greater reason, we should not consult them upon a question which increases their budget and their debt by three times what they were at the outbreak of the war.

The people of this country are rightly asking themselves: when will this Government stop, is there no limit to their audacity? The answer is easy, although it is an appalling one. It is that before this Parliament expires the present Government are determined upon absolutely draining the public chest. And now for what ends? Is not the public rumour, which is growing, which is increasing day by day, the exact expression of the actual truth? That is to say, that this measure is merely brought about for electoral purposes, to try and swell the campaign funds and to juggle away a verdict from the people.

Mr. Chairman, a measure of such an importance should, it seems to me, have been introduced at the very beginning of the session, so that it might have been actually sifted and also that its adoption especially might not be imposed by means of the closure.

I see the hon. Minister of Trade and Commerce (Sir George Foster) peacefully reading his paper, he who has very simply laid a terrible Bill upon the Table of this House, a Bill to put back the clock one hour a day, and who has seen fit to consult the people in order to know—as the member for Cape Breton (Mr. McKenzie) has expressed it—at what hour the roosters of the country crowed in the various provinces!

Mr. Chairman, I repeat it, it is an extraordinary measure we are now discussing; but still more extraordinary, on account of the considerable amount of expenditure involved and as to the change of policy which it is intended to inaugurate; for they have but one preoccupation in their minds; to satisfy the appetite of those who, having done a bad business, will retire, not as honest people, free from all liabilities and of all obligations—if the proposal was to send them back home in such a condition, I would in no way object—but with millions in their pockets and with the qualification which was applied to them, in the name of the Government and rightfully too, by the hon. member for Calgary.

Mr. LAFORTUNE (Montcalm) (translation): Mr. Chairman, the hon. member for Laprairie-Napierville (Mr. Lanctôt), when speaking this afternoon, stated that he represented the finest county of the province of Quebec. I take exception to this assertion, and I say that the county of Montcalm, which I have the honour to represent, is just as fine as his, if not finer, for it is one of the finest counties of the province of Quebec, and even, one of the finest in the Dominion.

When, in 1913, the question arose for passing this extraordinary Act, not to say worse about it, this gag Act, I have strongly objected to it. At a memorable sitting of the House, I spoke during four hours and a half against it, and it was considered a new record, at the time. I was then told; have no fear, Mr. Member for Montcalm, that gag Act will pass, but we will never apply it, except in cases of extreme urgency, I was afraid of these gentlemen, I had not much confidence in their declarations, and I was not mistaken.

They played a fine trick on us, Mr. Chairman, when they imposed us this gag, for did it not exist to-day I can tell you that we would keep you here long to prevent you from passing this infamous Act, this wretched and miserable Bill which you will adopt presently through your servile majority, who will applaud with both hands your triumph, when the vote is taken. Ah! how proud they will be, how happy they will be to take over a property under such conditions.

The hon. Solicitor General has said: Ah! it's only Montreal that is speaking. Well! let him come to Montreal, the Solicitor General. He will be welcome; he may come to the Monument National and make a big speech in order to explain the Canadian Northern Railway Bill; he may bring along with him the Prime Minister; you will see how well they will be received, for the people down there are most anxious to see both of them. You may try to accompany them, Mr. Chairman, you will be so welcome the three of you, we will give you a splendid night of it, Mr. Chairman; as for us, we will not impose on you the gag. We will let all of you speak, the Prime Minister, the Finance Minister and yourself, as long as you please; you will see how funny it will be.

An hon. MEMBER: Can they speak about conscription?

Mr. LAFORTUNE: Yes, they can speak about conscription, if they feel like it, we will give them " carte blanche," a free ride.

When we read the papers, when we hear what is said up hill and down hill and what is going on every where we go; when we listen to the public talk, it is really painful to hear what the people are saying about you, Mr. Chairman; about these gentlemen, I should say, for I do not want to be personal, that will come on later, when the fight has started. For to-day let us remain in the strict limits of legality. When we hear everything that is being said about the present Administration, we can't help wondering if we are living in a civilized country.

Mr. BOULAY: Speak louder.

Mr. LAFORTUNE: If I am not speaking loud enough, draw nearer. I speak loud enough, Mr. Chairman, to perhaps know on what side the gentleman will vote; I do not know, I do not want to blame him now, but I am anxious to see.

When they were told in 1914; do not advance those 45 millions to Mackenzie and Mann, it's money thrown away, then, the hon. gentlemen would say; it's a fine transaction, it's for the country's good, if the Mackenzie and Mann obligations are not paid, are not observed, are not executed, we shall take over the road and that will answer the Government's purpose, it will be to the people's benefit. In vain did we protest against these gentlemen, we did not succeed, the $45,000,000 were advanced, guaranteed, and you can see to-day where we stand, in what a fix we are.

I heard an hon. member sitting on your right, Mr. Speaker, a man whom I believed to be sincere and serious, when he stated that Mackenzie and Mann had spent their whole life-time in bribing everybody, in defrauding ever and everywhere. I had thought that this gentleman would vote against the sale of the Canadian Northern,

but, after having declared that this was a disgraceful transaction, that these men had spent their life in bribing and defrauding, he has the daring, this hon. member, to rise up and vote in favour of the sale. Well, I believed him to be sincere, I thought he was a business man; I may assure you that he has seriously fallen in my estimation.

When your humble servant now speaking to you, Mr. Chairman, will have said that the owners of this railway have spent their life in corrupting everybody, that they are disgraced, fallen and degraded men, you will not see him rise up to vote for such a transaction; I would have the courage of my opinion, of my convictions and I would not be a party to such a scandal.

Mr. BOULAY (translation): Does the hon. member for Montcalm always speak the truth?

Mr. LAFORTUNE (translation): I might ask if my interlocutor has always spoken the truth.

Mr. BOULAY (translation): Would the hon. member read Mgr. Bruchési's letter?

Mr. LAFORTUNE (translation): I would rather be silent than to gainsay my own bishop, a thing you cannot do; I would rather pass for being in the wrong than to begin a fight against the archbishop of Montreal, and what I have said was relevant, I will let you know that, Sir. And, as to the learned member who has just made such a remark, I would like to know whether he can very well throw me the first stone, for I never did any shuffling, any way.

Mr. Chairman, Mackenzie and Mann are notorious millionaires, and in order to reward them for not having respected their engagements, they were given titles of honour, they were knighted. Isn't that fine! Reward those who don't keep their pledges toward the State and give them the highest titles. Well, the people do not like that. Generally, when men are crowned with such high honours, given titles so lofty as that of Sir, it is on account of honourable conduct, because they have won their bars and received a well-deserved reward, but when I hear the member for Calgary call them thieves, scoundrels, bribers, and declare that these men have passed their lives in bribing everybody, I'd rather not be knighted; under such circumstances, it is an almost worthless and empty honour.

In my province, Mr. Chairman, where I have the honour of practising as Crown Attorney for the twelve past years or so, if a man lies to obtain any thing of even little value, we call that false pretences; such a party is arraigned before the court and, upon conviction, he is sentenced to jail. Here, it is all the reverse. The more values one can get under false pretences, by doing all sorts of criminal acts, the more honours one is sure to receive. What a fine country! What an encouragement for those people who try to be honest!

I was just speaking of millionaires. But, Mr. Chairman, one must make a distinction in this matter. Some men are found who have become millionaires, thanks to their energy, to their labour, their good conduct or their skill in honest transactions. We must admit that there are millionaires of this kind; let us respect those who have made their millions in honest transactions, but not those who accumulate their wealth through fraud and bribery, as stated by my hon. friend from Calgary (Mr. Bennett).

Mr. BOULAY (translation): Will my hon. friend allow me to put him a question?

Mr. LAFORTUNE (translation): Certainly, most certainly so.

Mr. BOULAY (translation): Would my hon. friend kindly tell me when the gentlemen he is alluding to has been knighted?

Mr. LAFORTUNE (translation): I regret it, but I do not keep an almanac of those things, I wonder why my hon. friend puts me such a question. Is it for curiosity's sake? Informations are generally asked by people who don't know a thing, but such is not the case with my hon. friend, who must know what is going on among his good friends.

Mr. BOULAY (translation): Have not these gentlemen been knighted under the late administration?

Mr. LAFORTUNE (translation): My hon. friend seems to be well informed. The hon. gentlemen who spoke before me have repeatedly reproached the Minister of Finance and his friends with refusing to produce the list of the debenture holders, stating that this had nothing to do with the case. In our province, when a man who is put a question refuses to answer, it is the same as if he pleaded guilty. When men of such a high standing as the Minister of Finance and his colleagues refuse to show the list of the debenture holders, it looks bad, it squints, as we say. When they take the trouble of saying that the total amount is $600,483,280.39; it's the 39 cents that amuses me; thirty-nine cents! How important that is! And we ask them the list

of the debenture holders. No, do they answer, that would take too much time, we would have too much trouble in getting it. Well, gentlemen, am I wrong in suspecting there is a snake in the grass? Am I not right in suspecting that we would find in that same list certain names which would compromise some of the Government's friends or of their relatives, such as fathers, mothers, brothers, sisters mothers-in-law, fathers-in-law, brothers-in-law, sisters-in-law, uncles, aunts, nephews, nieces or cousins of either sex? Why not give, Mr. Chairman, to the people, represented by the member to your left as by those to your right, the exact list of all those holding such debentures? Because it would be too incriminating to do so. One cannot draw any other conclusion. And if I take the given word of the hon. member for Calgary that these bribers, these bandits have distributed stock right and left, to Peter, Dick and Harry, it is readily conceived that the publication of such a list would perhaps compromise a great number of gentlemen who hold such debentures; but when the people will be called upon to judge the conduct of those who are now in power, there will be no gag. In my county, where we will discuss this question, you will not be there, Mr. Chairman, with your gag. Everyone will speak, and you will not be always watching the clock to call time.

Woe to the members who shall vote this transaction! What says Lord Shaughnessy, not a friend but a political adversary, the most qualified, the most upright, the most honourable and the most competent man on the subject you can find in the whole Dominion? What does the president of the Bank of Montreal tell us, and what do say the managers of all our important industries who have condemned that transaction? Are they not worth as much as the hon. member for Calgary, who is ever ready to cry out against everyone, who has found fault with all our friends and who has just voted to-day in favour of a measure which he had so forcibly denounced?

When I said, in 1913-1914, that that transaction was a disastrous one, I was perfectly right, and when I saw, in those days, the hon. member for Red Deer (Mr. Clark) who had the floor after me, speak for two hours, condemn the Government, say all kinds of things against the Government—he spoke two long hours to prevent the $35,000,000 vote—and when I see him, to-day, bestowing praise upon the other side, I say: how much the times have changed, how changing is this gentleman's politics! After having said all he did say against the hon. members to your right, after having supported for so many years the right hon. leader of the Opposition (Sir Wilfrid Laurier) and then to come back and insult him by calling him the St. John the Baptist's lamb! That man has fallen a great deal in my consideration. Be Conservatives, be Liberals, what you please, but if you do not share my opinion, the opinion of your leader, you have not the right to abuse him, to insult him, as the hon. member for Red Deer has just done.

The hon. member for Maisonneuve (Mr. Verville) has made a remark which I consider too broad. He will allow me to draw attention to what he has said, that gold controls Governments. I do make one exception. Gold has never controlled the late administration, gold has never in any way influenced the right hon. Sir Wilfrid Laurier; gold may perhaps control the present Government, but the late administration came out victorious in all it undertook; it has honorably fallen, and never has any one had occasion to say against Sir Wilfrid Laurier's administration that gold or money, favours or honours have ever influenced it.

We have struggled to prevent this grant of $35,000,000, we were unsuccessful. From Monday morn until midnight on Saturday, we slept and ate in the House. That law was voted in the House, after the gag had been imposed upon us; but, fortunately, there was in those days a Liberal Senate, a Senate composed of distinguished and serious men, of whom the majority were Liberals, and the Government could not carry away from the country that sum of $35,000,000. But times have changed; new men have been recently appointed to the Senate where they form the majority. And with these new members, they have succeeded in passing the conscription Act, as they will be successful in having them vote this sale of the Canadian Northern Railway. There is no doubt about it. It is all prepared in advance, the deed is already drawn up, signed and sealed, and if it is not registered, it shall soon be.

Where are these millions to go, where will go the Government millions for that stock which has been declared worthless? We do not know, and the hon. Minister of Finance does not want to tell us.

When something is to be done and there is something to deduct, when people refuse to speak, to play above board, I am afraid of such things, yes, I am afraid of such transactions; I like a man who plays an open hand, I like an administration that

has nothing to suppress, that has nothing to conceal, that submits to the House, to the country, all it knows; and the reasons given by the Minister of Finance, in my humble opinion, as the hon. member for Kings, P.E.I. (Mr. Hughes) who spoke before me, has said, are that the transaction is not genuine, it is not a first-class transaction.

A MEMBER: Time, time.

Mr. LAFORTUNE (translation): Mr. Chairman, if my time is up, I will immediately take my seat, for I ask favours from no one. Is my time up, Mr. Chairman?

Mr. RAINVILLE (translation): The hon. member has spoken one minute over, but—

Mr. LAFORTUNE (translation): If my time has expired, I do not want any favour, I withdraw, delighted to bow to you.

Mr. PROULX (Prescott) (translation): Mr. Chairman, I do not intend to discuss in any way the nationalization policy, neither for or against; such a question is far too important to be intelligently discussed by us during the very limited time allotted us. I will therefore limit my remarks to simply stating that, if the Government must provide, by way of subventions, to the managing and operating expenses of the Canadian Northern company, in the form of security, for instance, it seems to me far more preferable that the Government should take over without any expense, the 60 per cent of the capital stock not now in the hands of the Minister of Finance, by means of the Act of 1914.

To-day the Government propose to buy this 60 per cent of the company's capital stock of a par value of $60,000,000, which, according to the report of the commission appointed last year by the Government—I mean the Smith, Drayton and Acworth commission—is perfectly worthless, and notwithstanding that report made by their own commission, the Government come and ask Parliament the power to submit to arbitration the very value of this capital stock. Have not the members on this side of the House any reason to suspect there is something in the wind and that the Government's object can only be to make a gift to the Canadian Northern company and, more particularly, to Messrs. Mackenzie and Mann. They are probably expecting from these gentlemen a fat contribution to the electoral funds, seeing the inevitability of a general election. If we look over the history of the Canadian Northern, we can see that almost every year, since 1911, it has been nothing but a case of continuous calls for help, under the shape of gifts, of guarantees or securities, and the editor of Le Devoir was quite right when he said in an editorial —which, be it said by the way, was very ably written—that it was perhaps the greatest robbery perpetuated in Canada during the past few years. For the edification of the House, I will take the liberty of reading an article written by Mr. Henri Bourassa and printed in Le Devoir. I believe this article should be inserted in the official report of the House. The said editorial is dated the 16th instant and it is entitled: "The Canadian Northern Deal."

> In the day of "barbarity," the bandits of high standing and the ordinary highwaymen waited for some moral or physical commotion in the world. Stormy nights favoured the storming of towns and castles. During the days of riot or of revolution, pilfering barons and free-companies made opulent razzias. It was under the cover of storms that the sea pirates and the plunderers of shore wreckage made their richest prizes.
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> With the "progress" of our times, the brigands, the real brigands, the high brigands, have remarkably extended their fields of operation. They operate upon entire countries. Thanks to the venality of the press and of parliaments, thanks also to the weakness of the people, they overexcite the popular emotions and take advantage of a moment of general franticness to plunder the nations. And what further proves their immense superiority over the pilferers of old is the fact that, in this game, they only risk other people's hides.
>
> The Canadian Northern deal is really one of the most successful, both by the amplitude of the results and by the fine boldness of the proceedings. After having cleverly heaved up the popular passions through the spectre of conscription, they organize everywhere so-called "win-the-war conventions,' they talk of coalition, of National government, of prolongation and then of immediate dissolution—always, of course, for the safety of the empire, of democracy and of "superior civilization." Then, when Parliament unnerved by the heat and the doubts of the political situation, is no longer in a position to do anything sensibly, they carry the place by storms. The good-natured people, hypnotized by conscription, already entangled in electoral wrangling, is saddled, without uttering a word, with a burden equal to half the war expenditure and double the national debt piled up during a half century before the war.
>
> Messrs. Drayton and Acworth's report alone is sufficient evidence that, instead of pulling the Canadian Northern managers out of difficulty, the Government should have, long ago, forced them to disgorge and summoned them before the Assize court. This report shows: 1° That the capital stock, shown as being $100,000,000 in the company's books, does not represent one cent in cash; 2° That the profit estimates furnished by the company to Parliament, in 1914, in order to get a $45,000,000 State guarantee, were manifestly false and tampered with; 3° That the estimates subsequently submitted to the inquiry commission, although notably less inflated than those of 1914, were

still fallacious and deceptive; 4° That, in one single year, the company has transferred to the capital account of railroad construction more than five millions of interests, thus covering by so much its actual annual deficit.

In ordinary times and performed by ordinary people, on an ordinary scale, such operations are called fraudulent overcapitalization, false statements, embezzlement, extortion or—to speak the barbarous language of our jurisprudence—obtaining money under false pretences. You or I, we would be sent to penitentiary for that. But if accomplished at the State's expense, by a horde of pirates of the higher finance and of still higher politics, they call it national development, pioneering work, etc., etc. It brings in millions and a cart-load of K.C.M.G.'s and other baubles which show the Crown's gratitude towards clever, bold people and profiteers. When, at last, comes the hour for the supreme efforts, for the last millions, everything is set a-going: the Empire, Democracy, "Superior Civilization"—I have already said it a score of times. What can you expect? The vocabulary of those people is not very extensive; it is still one of their powers—and they expropriate the capital of Mackenzie and Mann and of their many associates, a capital the easier to expropriate in that it does not exist!

Of these capital assets, the State already owns forty millions; it is the bundle of dry leaves which Mackenzie and Mann handed over as a gift to the nation, in exchange for the Finance Minister's signature endorsing forty-five millions of their debentures. From this signature, they have already drawn as much as thirty-six millions. The object of the present Bill is to expropriate the balance of the fictitious capital —sixty millions—except what has to be let of it in the hands of some shareholders equally imaginary, in order to preserve to the enterprise the appearance of a "company," instead of making a State department out of it; but the State does nevertheless assume the full responsibility of the company's liabilities, without caring to know whether the property is adequate to the assumed liabilities.

The very fact of admitting the principle of expropriating the capital stock presupposes some value whatever; now, upon this point, the Commission's report is overwhelming. Sir Henry Drayton and Mr. Acworth, relying upon the company's own figures simply cleared of the grossest frauds, put the enterprise's total cost at $370,000,000. Depending upon Mr. Swain's estimates, they set at $402,000,000 the present value of the property and of the rolling stock. Now, the company's total liabilities—leaving out the capital stock—exceed $400,000,000, of which one hundred millions, at least, are due and payable at short notice. On the other hand, the traffic receipts, in spite of the increased operations for the past two years on account of the war, are not sufficient to cover the running expenses and the interests.

Whatever be the valuation basis adopted—actual cost of construction, present physical value, or productive value—the Canadian Northern, with all its sub-companies, constitute nothing but a gigantic failure; its capital stock, never paid in, is worthless; it is more than doubtful that the company's property is worth the liabilities the State is assuming; it is certain that for a long while hence the receipts will not be adequate to cover the interests.

In any other country, the State, in any other bankruptcy, the principal creditor, would merely proceed with the company's liquidation; and should he be obliged to redeem the property, he could only take it over at its actual value, disencumbered of the liabilities in excess of the realized assets.

If the Government considers that the nation's credit is indirectly engaged by the confidence which its repeated favours may have inspired its other creditors, that care—so little seen when it should keep direct promises—should not go any further than the company's actual liabilities. There is no reason for adding one cent to those excessive liabilities, in order to compensate shareholders who have no right to it, neither moral, legal nor material.

* * * * * * * *

In order to better throw the dogs off the scent, the Minister of Finance has laid before the House a statement of the Canadian Northern's state of affairs on June 30, 1916. This condensed statement can be read a good deal easier than the commission's report which covers almost two hundred pages, bristling with technical details and tables where are spread out myriads of figures. Most members and senators whose vote will decide the question will likely read only this "condensed" statement—and moreover, how many will vote without reading anything, without understanding anything, except the whip's password! Now, this "condensed," very condensed statement very quietly sets out with a false entry of one hundred millions! It places to the account of the concern—"Railway and Equipment at cost to the system"—and without distinction as to the real expenditure, $100,000,000 worth of stock for which Mackenzie and Mann and their multiple associates, apparent or hidden, have never paid one cent! On this point, the declarations of Messrs. Drayton and Acworth are absolutely positive; and Sir Thomas White has not offered the least denial.

The auditing of the capital stock account would be instructive. I remember having seen quite a block of this stock set on the balance-sheet of the estate of a Liberal minister who had been most zealous in helping the multiple enterprises of Mackenzie and Mann. He is dead: may he rest in peace! But there are still enough who are alive, "rouges and bleus," that Parliament will not pry into that, you may be sure of it.

The Minister of Finance, I repeat it, has not dared to oppose the least denial to the formal and oft repeated assertion of the investigating commissioners on that point. He thought it was more clever to discredit the authority of their report and that of Mr. Swain's valuation, by pointing out certain "oversights." Mr. Swain, says he, has not taken into account the value of the company's lands. In the first place, nothing shows that Mr. Swain was called upon to do such work. He even states in his report that the delay granted him did not allow him to accomplish, as he would have liked to, the sole task entrusted to him; the valuation of the railroad and of the company's subsidiary enterprises. In the general settlement of the company's financial situation, the commissioners have not computed, it is true, the value of the company's lands, $19,885,485—according to the administrator's own valuation—but they did take into account the amounts realized upon the mortgages which encumber those same lands: $17,776,514. The margin is not very wide. By estimating that the amount of the mortgages annuls the stated value of the lands, the commissioners may have probably remained on this side of the truth.

Sir Thomas also reproaches the commissioners with having neglected the company's credits, mortgaged upon the lands sold ($7,000,000) and the sums deposited in trust, some proceeding from the land sales ($2,400,000) and the others from State subsidies not yet utilized (about $20,000,000). But as, on the other hand, the commissioners have also neglected to add to the liabilities the $25,000,000 of debentures affecting the catch-penny revenue designed to hide the operation deficits—and the $4,500,000 of unpaid interests, one has only to add up the three debit figures and the two credit figures, to see that the totals cancel one another. The Minister of Finance has merely tried to fool both the House and the public.

When a man of Sir Thomas White's standing has to resort to such juggling processes, the operation must really be indefensible.

I will not delve any further into this maze. One would need the brains and the pen of an expert . I have confined myself to pointing out the main enormities, the most obvious ones for any man of common sense who takes the trouble to study with some attention the report submitted to the Government and to the House. The report itself shows that the ministers have placed their own experts in the impossibility of giving them an exact account of the concern's actual value.

But before leaving off this dry subject—which conceals perhaps the most monstrous of the numerous raids perpetrated to the State's expense since Confederation—I wish to point out a view which more particularly interests the province of Quebec.

Of the company's $439,000,000 actual liabilities which the State is ready to assume, $107,000,000 are presently guaranteed by the province of Ontario and the four Western provinces. British Columbia alone is in it for forty millions. These securities have been given for particular enterprises, of exclusively provincial interest, to-day engulfed in the maelstrom into which the Federal Parliament is preparing to plunge the whole country, for the greatest benefit of the wreckage plunderers who are watching for the wreck. Owing to the company's whole liabilities being assumed by the Federal Government, the province of Quebec, as part of the Confederation, is therefore forced to assume a proportionate share of the $107,000,000 due by the other provinces. That share must be equivalent to twenty or twenty-five millions, at least. It is a repetition, on an enlarged scale to suit the cupidities of the present day, of the iniquitous operation of 1841, when Lower Canada was called upon to pay her portion of the liabilities of Upper Canada, then practically in bankruptcy.

What do Sir Lomer Gouin and his colleagues think of it? However debatable may have been their administration in other respects, their railway policy has been vigilant, even parsimonious. They have protected the provincial treasury against the raids of Mackenzie and Mann and of other bandits of the same stamp. Will they, without any protest, allow the Federal Parliament to make us pay for the extravagances of the other provinces?

The solution which the most elementary equity would impose is that each province remain indebted to the Federal Government for the obligations it has assumed or secured.

Mr. MORPHY: I would like to know the name of the paper the hon. gentleman has been reading for the last fifteen minutes.

Mr. PROULX: The paper is Le Devoir of Montreal and the writer is Mr. Henri Bourassa. If the hon. member for North Perth (Mr. Morphy) understood the article he must admit that the writer must have studied the question very fully.

Some of my colleagues have pointed out that it was a daring injustice towards the province of Quebec to hold her conjointly liable, with the other provinces, for the obligations the latter have assumed towards the Canadian Northern. And this remark is justified, when we find that obligations to the total amount of $107,514,642.27 have been guaranteed by the different provinces, while the province of Quebec did wisely stand aloof.

It has been suggested, the other day, that instead of entrusting an arbitration committee with the estimation of this capital stock, it would be better to submit the matter to the Exchequer court. Last year, when the Government wanted a maximum valuation fixed for the Quebec and Saguenay, the question was laid before the Exchequer court; but, as the latter did not render a decision favourable to the Government and, more particularly, to the member for Montmorency and Charlevoix (Sir Rodolphe Forget), the Government did not think it wise to go back to the same sign. Now, they want us to believe that this arbitration will be absolutely fair, for all the interested parties, because Sir William Meredith, the Chief Justice of the province of Ontario, shall be asked to give his decision upon that transaction; when actually, the Government's object is to favour the holders of these 60 per cent of the capital stock, the greatest part of which is in the hands of the promoters of this line. It might perhaps be relevant, at this point, to recall the fact that the latter will also have the choosing of the other commissioner. When the Government have had an important commission to appoint, they have always, like the Ontario Government, resorted to the Chief Justice of the province, Sir William Meredith, may be possessed of a deep legal science, he may thoroughly know the jurisprudence of the country, but when it comes to a railway matter, would not another party, another railroad president, Lord Shaughnessy, for instance be more competent to determine the value of the capital stock of any company whatever, for, in such a case, he must rely upon the present and the future receipts of the company? There are other considerations I would like to offer to this

House, but I find myself compelled to omit them, for I am told that my allotted time is up. In the name of my constituents, in the name of the province of Ontario, I strongly protest against this measure, because it is a legal brigandage, because it will cost, from the start the sum of $30,000,000, $40,000,000, even perhaps $50,000,000 and we shall receive capital stock which, according to the Government's commission, represents no value at all.

I was forgetting, Mr. Chairman, that in this House to-night, might overrides right, therefore I will speak no longer on this subject.

Mr. JOSEPH DEMERS (St. John and Iberville) (translation): Mr. Chairman, I will be short. Even if I did not want to be, the House's new regulations would oblige me to, and, moreover, I would be loath to have applied to me the gag which is a repeated violation of one of the fundamental principles of democracy, of freedom of speech.

If I rise now, it is because I feel it is my duty, as a citizen, to protest against one of the most daring acts of the Government, and that means a great deal, when one knows what this Government can dare.

Our finances are in a wretched condition, and we have had an illustration of it in the very high rate of interest for our last loan in the United States. There is nothing surprising about it, when we know that, with a population of 7,000,000 people, Canada has now a debt of $1,600,000,000 which means a $225 per capita debt and, under such conditions, what do the Government propose to us? By this Bill the Government want us to assume an additional indebtedness of $653,000,000, which will raise our public debt to the fabulous amount of $2,250,000. I wonder whether the Government have decided upon putting the country in bankruptcy—just as the Canadian Northern seems to be—unless we have already reached that state and, then, a little more or a little less would not make much difference.

I intend to read the first section, as well as the third section of this Act. I will read them in French, which will probably interest the majority of the members of this House.

The first section deals with the acquisition of stock of the Canadian Northern:

1. His Majesty may acquire the six hundred thousand shares of capital stock of the Canadian Northern Railway Company (par value sixty million dollars), not now held by the Minister of Finance in trust for His Majesty, on such terms and conditions satisfactory to the Governor in Council as may be set out in an agreement to be made between His Majesty and the owners and pledgees of not less than five-sixths, and for a price to be determined by arbitration as hereinafter provided.

The second clause deals with the transfer of stock. The third clause is the one which provides that the Government may pay and settle all the obligations of the Canadian Northern company.

That section reads as follows:

3. (1) So soon as the said five-sixths of the said shares have been transferred as aforesaid, the Governor in Council may assist the Canadian Northern Railway Company, or any company included in the Canadian Northern Railway system, in paying and settling any indebtedness of such company or postponing the payment thereof on such terms as may be agreed upon, and for such purposes may make advances out of the Consolidated Revenue Fund, may guarantee payment in whole or in part, and may give the obligations or securities of the Government in connection therewith.

(2) The Canadian Northern Railway Company, and each company included in the Canadian Northern Railway system, shall from time to time do such acts and things, make and issue such agreements, obligations and securities in connection with the payment or settlement or postponement of payment of the said indebtedness as the Minister of Finance may require.

Well now, Mr. Chairman, when we read those sections of the Bill now before us, we can readily come to the conclusion that this Act is, neither more nor less, but a full waiving of the rights which are guaranteed to us by the special Act passed in 1914.

We are asked to acquire shares of a par value of $60,000,000, by arbitration, when, in pursuance of a special Act passed by this Parliament in 1914, we have the right to take them without paying a cent. We are entitled to take over the Canadian Northern Railway company's system, without being obliged to pay a compensation to anybody.

The Act says "acquire by arbitration." We know what may mean an arbitration with Mackenzie and Mann.

We are asked to give our consent to legislation by which we are to expose ourselves to pay millions for stock of an insolvent company. I say insolvent, because that is the construction I put upon the remarks made during this debate, by the Minister of Finance and which I find at page 4394 of Hansard (unrevised edition) sitting of August 7, 1917. This is what the hon. Minister of Finance said:

Sir Thomas White: I hope my hon. friend does not think that the Government is without any intimation from the Canadian Northern that they need aid, and is going out of its way to provide aid, or to take over the system. If

the Canadian Northern was able to finance itself this matter would not be before the House; the Canadian Northern would be paying interest upon its underlying securities, would be financing its betterments, paying for its rolling stock, floating all its temporary loans, and not putting in an appearance at Ottawa at all. It is because they find themselves in a position where they cannot go on and where Government aid is imperatively necessary or default must occur, that this measure is before the House.

And it is under such circumstances, when the Minister of Finance is well aware of this Canadian Northern company's financial standing, that the Government now propose a measure by which we bind ourselves or we become liable to pay millions for stock of an insolvent company, in other words for absolutely worthless stock.

It seems to me I am still hearing the argument set forth in this House by certain members opposite who took part in the debate of 1914, when we were discussing the proposal of having the Government guarantee the Canadian Northern company's loan of $45,000,000. They said we were making an advantageous bargain or at least as advantageous as possible under the circumstances. They added that, if the company were unable to meet its obligations, if it made default in paying the principal or interest, then we would take over that railroad. It would become our property; in short, we would summarily take possession of it. That is what we were told in 1914, Mr. Chairman, so as to be convinced of the wisdom of the Government's decision to aid the Canadian Northern company. The hon. gentlemen who spoke most eloquently and most forcibly on the matter, the champion of the Government upon that occasion, was most assuredly the hon. Solicitor General (Mr. Meighen). Here is what I read on page 3693 of the Hansard of that year:

> Or, if we choose, we can ourselves, by Act of Parliament, legislate that that road is the property of the people of this country and that the interests of all persons whatsoever outside of the people of Canada are eliminated.
>
> The idea of that is that we are at this time making the interested parties and all stockholders parties to this contract, and we say to them: We now and here bind you that should the day of default come, you shall not appeal to the Parliament of Canada on the ground of your road being confiscated in any way whatever, but you here and now leave the Parliament of this country free from any such question and untrammelled in every way to deal with the property of the Canadian Northern as it may be advised in the interests of the people of this country. That is the summary procedure outlined here for taking over the road.

That was most explicit and, from these remarks of the Solicitor General, who was the Government's chief mouthpiece, when that measure was discussed, we can draw no other conclusion but this one: If the Canadian Northern failed to meet its obligations, we should have the right to take possession of that road without any procedure, and without being obliged to pay an indemnity to any one whomsoever.

We have, therefore, even to-day, the right —which we will eliminate by the present legislation—to take possession of the Canadian Northern without expense, since this railroad, on the Finance Minister's own confession, as shown by the quotation I have just read, is not in a position to meet its obligations. And instead of availing ourselves of the rights given us by the Act of 1914, the Government now propose that we should have an arbitration in order to determine the value of this company's shares and that we should pay the amount fixed by these arbitrators.

I do not pretend, Mr. Chairman, to be a business man, but I cannot however help seeing all the ridicule of this proposition and for nothing in the world, would I have engineered this resolution or even proposed it, for, I emphatically declare it, I would fear that it contained something suspicious or that dishonesty or complicity to plunder the public treasury might be suspected. I am convinced that the impression which will remain in the public mind as to this legislation, must spell disaster to the honour and to the reputation of all those who will have taken a hand in it.

There are three points which make this legislation look suspicious: firstly, its absurdity, the fact of making ourselves liable to pay millions, when we have a bargain by which we have nothing to pay. Secondly, the method resorted to by the Government to have it forcibly adopted, shutting off discussion and applying the rule of the gag, to throttle the members of the House. And, lastly, the fact that such a legislation, the result of which will be to saddle the people with a burden of over a half billion dollars, is to be adopted by a Parliament which is not a representative one, inasmuch as the members now sitting in this House are not the representatives of the people.

For my part, Mr. Chairman, I thought it was my duty to clear my responsibility from this legislation which looks bad. I have felt it my duty to protest on behalf of the people of Canada, being one of the citizens, against this misuse of power by the Government which will evidently result in creating among the public a feeling of distrust towards our parliamentary institu-

tions and of revolt against the autocracy that has reigned here in Ottawa, for the few years past. I have already stated that I would not let myself be gagged and, therefore, I take my seat.

Mr. ARTHUR LACHANCE (Quebec Centre) (translation): Mr. Chairman, I believe it is my duty to strongly protest against the Bill which this House has been discussing for a few days already. In fact, what is there, everything told, in this measure, if not a pure gift of $60,000,000 made to the directly or indirectly interested parties of the Canadian Northern Railway company, the whole of it being to the prejudice of the public treasury? Should there be reasons that can justify such a legislation, they can assuredly not be those which the Borden administration has thus far set forth. As a so-called justification, it brings up two main considerations: one of them, to prevent the receivership or the liquidation of the railroad; the other, to assert the principle of railroad nationalization in Canada.

As a rule, I am in favour of all public service utilities being state-owned or state-operated. Should they be diligently administered, the people would thereby obtain better facilities, and at a more reasonable cost, since they would actually eliminate all profits which would, otherwise, go to either shareholders or promoters.

To support such an assertion we have Canada's own experience with the Intercolonial. All told, that undertaking has given good results; these might have been more convincing to-day, had it not been for that patronage plague which has always absolved a most appreciable portion of the receipts; but there is a remedy to that disadvantage. So that, in spite of such an impediment, we may well assert that this experiment has been most conclusive. That is why I say, speaking in my own name: if the Government's object really were to consecrate the principle of the transportation service, nationalization, it would be well to consider, from that point of view, at least, this Bill with somewhat a better disposition. But the nationalization doctrine, in this case, is simply invoked as a pretense. If the administration really means to attain that end, why not apply the Act of 1914? There you have that nationalization provided for in full terms. The present Government knows it; they have passed the Act of 1914 themselves. It is therein stipulated that, if the Canadian Northern company fails to meet its obligations, the Government shall have, "de plano", the right to take over the whole system without paying a single cent as compensation.

Am I not right, then, when I say that the nationalization now invoked is a subterfuge, that the only object is to find a way to pay those $60,000,000 without being in any way obliged to do it, under the Act of 1914? What will be the effect of this Act upon Canada's financial credit? Upon this point, we have the opinion of business men, notably that of a group of Montreal financiers. In the course of the present debate, a portion of their declarations has already been submitted to the House; resolutions have been read as they had adopted them, the whole bearing upon the Act we are now discussing and to its severe disapproval.

I beg to add a few other statements on their part, none the less to the point, I will quote a newspaper, Le Devoir, of August 16, I believe:

> The manifesto, which was published this morning by a group of financiers, including notable Conservatives such as Messrs. Huntley Drummond, Chaput, Ekers, etc., demonstrates the fact that the uneasiness has reached people the less liable to be carried off. And therein can be found the very reason for the more or less noticeable hostility of the larger English press, to a great extent.
>
> "If it becomes law, it will impose on Canada, at a time when the country is under an unprecedented strain, a burden of unknown magnitude. One certainly greater than any ever before imposed upon this country, with the exception of the war debt."
>
> Mr. Huntley Drummond and his colleagues sum up, in the following formidable sentence, their censure of the Government's attitude: "The smallest transaction in common life could not be concluded in such a way, and any attempt to do it by trustees responsible to a court would unquestionably be a breach of trust, and this is the largest and most onerous undertaking ever contemplated by any Canadian Government, and the most risky."
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> * * *
>
> So much for the criticism of the Canadian Northern transaction, against which Messrs. Drummond, Ekers and their colleagues ask us to protest with our utmost energy. But, there is in this manifesto another fact which should be noticed.
>
> The signers are not only alarmed by the Canadian Northern deal; they are visibly uneasy on account of the general financial conditions. At the very opening of their letter, they insist that this bold operation is made "at a time when the country is under an unprecedented strain." Further on, to point out the gravity of the moment, they add: "The interest and other charges on Canada due to the war increase every day and even now are so great that it is difficult to say from what source they can be paid without an economic strain never hitherto undergone and a cutting down of expenses not yet even begun." And still a little further: "The credit of the country abroad is at a lower ebb than it has ever been."

Here then do we have, in formal terms, a condemnation of the transaction which the Government intend to put through.

In order to mask their batteries, the Government pretend that, if they thus take over the Canadian Northern, it is to prevent the Canadian Pacific railway from acquiring it and thereby destroying all competition.

If ever there was a puerile argument it is this one, and we find it not only upon the lips of the members to your right, Mr. Chairman, but even upon those of the ministers. But what do they think of the Board of Railway Commissioners? Have they not a jurisdiction and an almost unlimited authority to protect the people against the extortions of public utility companies? Even supposing the case that one railway company should absorb all the others, could not the commissioners safeguard the people against one company as well as against several different ones? Therefore, to resort to such a defence is simply to admit that you have none at all.

Let us now see the second main reason offered by the Government for introducing this measure. They thereby want, so they say, to prevent the Canadian Northern from going into the receiver's hands. I cannot understand why the fact of the railway going into receivership should alarm to such an extent certain members of this House. It is either one of two things, either the receiver might set back the concern running again or he would be forced to sell it. In either case, the interested mortgagees, shareholders, debenture holders, etc., no longer depending solely as in the past upon the Government to retrieve their losses, would do everything possible to remedy the situation. And, moreover, railroad enterprises are like to any other one, those who make unfortunate investments have our sympathies, but in virtue of what principle should the Government be obliged to indemnify them? Do they indemnify those who lose in other lines of business? Did they help, for instance, the depositors of the Jacques-Cartier bank, of the Bank of St. Johns, of the Farmers' Bank? No; however, the interested parties were largely brave workingmen who had, by a daily labour of ten or fifteen hours, saved a few hundred dollars. Did they not deserve, to say the least, as much sympathy as Messrs. Mackenzie and Mann, millionaires, multi-millionaires having stock invested in both Americas?

Let us now take up the second alternative, the case where the receiver would be forced to a liquidation. He sells by auction; then, the purchaser would see to it, that the railroad be as efficient as possible so that it may return proportionate profits, not only as compared with the purchase price, but according to the line's earning power. And if there were no purchaser? Then, the Government might conveniently intervene and use their right of action under the Act of 1914. Lastly, should the Government, in that case, as to-day, refuse to avail themselves of their rights, they might buy as any other would-be purchaser, at auction.

But, it is said, the Government would run the risk of losing the $30,000,000 worth of the company's stock which they already held. Perhaps so, but would it not be a lesser disaster than to acquire 60 million more of worthless stock, for which those who are now advocating this measure would not give, I presume, fifty thousand dollars in the ordinary run of business.

Such are the remarks I intended submitting to the House. The situation is hazy; we can readily see, in the background several banks, several corporations, trusts of all denominations, in restless activity, lying in wait for this money.

Hon. Mr. SEVIGNY (translation): Will my hon. friend allow me a question?

Mr. LACHANCE (translation): Certainly.

Hon. Mr. SEVIGNY (translation): Would my hon. friend rather see the Government advancing, this year, a sum of fifteen or twenty million dollars in order to meet the needs of the Canadian Northern?

Would my hon. friend, who does not approve the measure now before the House, be disposed to recommend that the Government grant a sum, let us say of $25,000,000, or would the hon. member be disposed to do what the Government did three years ago? My hon. friend understands the question.

Mr. LACHANCE (translation): I may reply to the hon. minister that the question is a very simple one in our opinion, it is that we have here an Act, and if the Government pretend they want the nationalization——

Several MEMBERS: Order, order! Vote, Vote. Your time is up.

Mr. LACHANCE (translation): I will therefore tell the hon. minister that I have laid down, at the very opening of my remarks, the principle upon which I intended

to give my observations. I say that the Government have it now in their power to answer the question he has just put to me, without spending a single cent——

Several MEMBERS: Order, order! Vote, vote. Your time is up.

Mr. RAINVILLE (Chairman): The hon. member having been interrupted by the hon. minister of Inland Revenue (Mr. Sévigny), it is only proper that the hon. member should have time to conclude his remarks.

Mr. LACHANCE: I was then saying, Mr. Chairman, to conclude my remarks that for me the situation is rather foggy; we do see, in the background, large financial institutions, we do see banks, big capitalists, investment associations and trusts of every denomination, all restlessly active and lying in wait for these millions; but, it is unfortunate that the Government did not want to assist in disentangling the occult ramifications of all this transaction and in letting the public know who will receive this money first, and who will get it later. Nevertheless, there remains an undeniable, self-evident fact: it is that the Government are going to pay $60,000,000, when, under the Act of 1914 they would not have to give one single cent.

Therefore under such circumstances, I believe it is my duty to vote against the proposed Act.

Mr. J. E. ARMSTRONG: Mr. Chairman—

The CHAIRMAN: It is two o'clock. The question is on clause 1. Shall clause 1 be carried?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Section agreed to on division; yeas 63, nays 36.

On section 2—Transfer of shares:

The CHAIRMAN: Shall section 2 be adopted?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Some hon. MEMBERS: Take the vote.

The CHAIRMAN: I declare section 2 carried on the same division.

On section 3—After transfer Canadian Northern Railway Company may be assisted:

The CHAIRMAN: There is an amendment to this section. All the words after "Fund" on line 4 are struck out and the following substituted therefor:

Provided, however, that until authorized by Parliament the total of such advances shall not exceed the sum of $25,000,000. A report of any such advances showing in detail the purposes for which they were applied shall be presented to Parliament by the Minister of Finance within twenty days after the opening of the next ensuing session thereof.

The question is on the amendment. Shall this amendment be adopted?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

Mr. L. A. LAPOINTE: I rise to a point of order. Was there any notification of the gag in respect to this amendment?

The CHAIRMAN: That is not a point of order. The amendment formed part of the clause. I declare the amendment carried, and the section as amended carried, on the same division.

On section 4—Appointment of arbitrators:

The CHAIRMAN: There is an amendment to this section. The words "and may apply to their own judgment in determining such value" in line 24 are struck out, and all the words after the word "Fund" in line 37 are struck out and the following substituted therefor:

In determining the value of the said six hundred thousand shares the arbitrators, should they regard it as expedient to take into consideration the reproduction cost of the Canadian Northern Railway system, shall not include therein the increase in value, due to the war, of labour, materials, equipment or of any property.

I declare the amendment carried and the section as amended carried, on the same division. Shall the title of the Bill be adopted?

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No.

The CHAIRMAN: Carried on the same division.

Bill reported and amendments read the first and second time and concurred in.

On motion of Sir George Foster, the House adjourned at 2.12 a.m. (Wednesday).

Wednesday, August 29, 1917.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by asterisks.)

MINISTER OF CUSTOMS.

Mr. FORTIER:

1. Has the Minister of Customs a private car?
2. If so, when did he obtain it?

Mr. REID:

1. No.

2. Answered by No. 1.

MANITOBA COUNTY COURT JUDGES.

Mr. SINCLAIR:

1. Has a proclamation been issued under the provisions of the Dominion Elections Act, calling together the County Court Judges of Manitoba to define and establish polling districts in that province?

2. If so, what is the date of such proclamation?

3. On what date do the said judges meet?

Mr. DOHERTY:

1. No.

2. Answered by No. 1.

3. By statute, they are required to meet between the 1st of July and the 15th of August in each year.

DR. ALFRED THOMPSON, M.P.

Mr. GAUVREAU:

1. Is Dr. Alfred Thompson, M.P., a member of, or employed by, the Military Hospitals Commission?

2. If so, what is the date of his appointment, and what salary and allowance is paid to him?

3. What is the total amount received by him since the date of his appointment?

4. If not so employed, what position does he hold, when was he appointed, what is his salary and allowance, and what is the total amount of each paid to him to date?

Sir EDWARD KEMP:

1. Yes. Employed by the Military Hospitals Commission.

2. 15th April, 1916. Pay and allowances, $7.50 per diem.

3. $3.547.50 to 31st July, 1917.

4. Answered by No. 1.

THE 122nd BATTALION, C.E.F.

Mr. WEBSTER:

1. Who was the officer commanding the 122nd Battalion, Canadian Expeditionary Force?

2. What amounts were paid to such officers up to date of sailing overseas, for pay and allowance, travelling and other expenses, and separation allowance, respectively?

Sir EDWARD KEMP:

1. Lieutenant Colonel D. M. Grant.

2. Pay and allowances, $3,737.25; travelling expenses, etc., $14; separation allowance, $1,140.

FIREARMS IN QUEBEC CITY HARDWARE STORES.

*Mr. MURPHY:

1. Is the Government aware that on the 23rd instant a press despatch was sent out to the effect that all local hardware dealers in the city of Quebec who keep in stock revolvers, rifles and ammunition, had been ordered by the Federal authorities to immediately report on the number of firearms and the quantities of ammunition in store?

2. Did such despatch correctly describe action that has been taken by, or on behalf of, the Government?

3. If so, have hardware dealers elsewhere than in the city or province of Quebec been asked for a similar report?

4. If they have not been so asked, why the discrimination?

Mr. MEIGHEN:

1 and 2. No.

3 and 4. Answered by Nos. 1 and 2.

RELEASE OF THOMAS KELLY.

Hon. RODOLPHE LEMIEUX moved:

For a copy of all letters, telegrams, petitions and other documents addressed to the Minister of Justice concerning the release from penitentiary of Thomas Kelly, contractor of Winnipeg, sentenced by Judge Prendergast to two and a half years in the penitentiary for obtaining money, approximating $1,000,000, in connection with the construction of the Manitoba Parliament Buildings.

Hon. C. J. DOHERTY (Minister of Justice): In accordance with a well established practice it will be quite impossible to consent to the production of the papers as they are asked for here. From time immemorial, at all events since the enactment of the Ticket-of-leave Act, it has been the rule to treat documents of this nature as confidential. I shall be very glad to bring down all the documents that are usually brought down in such a case.

Mr. LEMIEUX: I will leave it to the minister to bring down what documents he thinks can be produced.

Motion stands.

UNOPPOSED MOTIONS FOR PAPERS.

Mr. A. K. Maclean.—For a return showing copies of all accounts, memoranda, vouchers, telegrams, letters, etc., in reference to payments to George H. Boyce, of Windsor, N.S., District Foreman of Public Works Department, since his appointment to office.

Mr. J. J. Hughes.—For a return showing the amount paid the James Simmonds Company, Ltd., Halifax, since 1911, by the various departments of the Government.

THE MILITARY SERVICE ACT, 1917.

RECOMMENDATIONS FOR BOARD OF SELECTION.

On the Orders of the Day:

Right Hon. Sir ROBERT BORDEN (Prime Minister): It is provided by subsection 3 of section 6 of the Military Service Act that each local tri-

bunal shall consist of two members, one member to be appointed by a Board of Selection to be established by joint resolution of the Senate and House of Commons, and the other member to be appointed by the authority indicated in the same section. As was stated in the early discussion of that Bill, it is thought desirable that one half the members of the Board of Selection should be named by my right hon. friend (Sir Wilfrid Laurier). The number proposed, as to which I am quite willing to receive suggestions, is: 4 for Ontario, 4 for Quebec, 2 for each of the other seven provinces, and 2 for the Yukon, making a total of 24 members for the Board of Selection. We cannot very well appoint a smaller number than two for any province, or even for the Yukon, because I desire that my right hon. friend should have the opportunity of naming one half of the members of the board. If my right hon. friend would be good enough to give me his recommendations, I should be glad to adopt them.

Rt. Hon. Sir WILFRID LAURIER having risen to speak, he was interrupted by a message from the Deputy of His Excellency the Governor General.

THE ROYAL ASSENT.

A message was delivered by Lieut.-Colonel Ernest J. Chambers, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Deputy of His Excellency the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly the House went up to the Senate:

And having returned,

The Speaker informed the House that the Honourable Lyman Poore Duff, Justice of the Supreme Court of Canada, Deputy of His Excellency the Governor General, had been pleased to give, in His Majesty's name, the Royal Assent to the following Bills:

An Act for the relief of Rozilla Lamb.

An Act for the relief of John Newton Salter.

An Act to incorporate The North American Accident Insurance Company.

An Act to amend The Fisheries: Act, 1914.

An Act to amend The Saint John and Quebec Railway Act, 1916.

An Act to amend the Interest Act.

An Act for the relief of William Henry Bishop.

An Act to incorporate The Canadian Division of the Aerial League of the British Empire.

An Act respecting a certain Convention between His Majesty and the United States of America for the protection of Migratory Birds in Canada and the United States.

[Sir Robert Borden.]

An Act to amend the Supreme Court Act and the Exchequer Court Act.

Bill 83, An Act relating to The Honorary Advisory Council for Scientific and Industrial Research.

Bill E2, An Act to incorporate Canadian Good Roads Association.

An Act respecting The Montreal Central Terminal Company.

An Act to incorporate The English Valley and Hudson Bay Railway Company.

An Act to amend the Boards of Trade Act.

An Act to assist Returned Soldiers in settling upon the Land and to increase Agricultural production.

An Act to incorporate The Cascade Scenic Railway Company.

An Act respecting The Toronto, Hamilton and Buffalo Railway Company.

An Act to amend The Customs Act.

An Act respecting Military Service.

An Act to amend the Criminal Code (respecting jurors).

An Act to amend the Criminal Code and the Canada Evidence Act.

THE MILITARY SERVICE ACT, 1917.

RECOMMENDATION FOR BOARD OF SELECTION.

The business of the House, interrupted by the messenger from the Deputy of the Governor General, was resumed.

Right Hon. Sir WILFRID LAURIER: When I was interrupted by the messenger from the Senate, I was just about asking my right hon. friend the Prime Minister (Sir Robert Borden) if he would kindly repeat the numbers from each province on the board which he proposed should be appointed by the House of Commons.

Sir ROBERT BORDEN: What I had in mind was to appoint a board of 24 members, of whom 4 should be selected from the province of Ontario, 4 from the province of Quebec, 2 from each of the other seven provinces and 2 from the Yukon, making 24 altogether. As to the number, I have an open mind. That is what I would suggest. I desire to have half of them in each province and in the Yukon appointed upon the nomination or recommendation of my right hon. friend.

Sir WILFRID LAURIER: The House will not be surprised if I say at once that I find myself in rather a delicate position. It is not in accordance with constitutional usage that a member should assist in any organization in connection with a measure of which he does not approve. The House knows the position I have taken on this Bill. I do not approve of it. At the same time I would say that upon this side of the House, as everybody knows, my opinion is not entertained by all the members of the Opposition. There are members on this

side of the House who approve of my policy and there are others who do not approve of it. But the Bill is of such importance that I consider that, whether we approve or do not approve of the measure, it having now become law with the sanction of His Excellency the Governor General, it behooves us all as British subjects to see that it is carried out as harmoniously as possible. Under such circumstances I deem it my duty to accept the invitation of my right hon. friend. It will be my duty to consult on this side of the House both those who approve and those who do not approve of the Bill, and I shall communicate the result to my right hon. friend as soon as possible.

HIGH COST OF LIVING—ALLEGED PROFIT ON FLOUR.

Hon. CHARLES MURPHY: A few days ago my right hon. friend the Prime Minister mentioned that on account of the increased cost of living, it was the intention of the Government immediately after prorogation to take up the question of granting an increased percentage to soldiers as pensions. In this morning's Citizen I observe on the first page an item to this effect:

> Port Arthur, Ont., Aug. 28.—Speaking before the Fort William Board of Trade, N. M. Patterson, prominent grain man and elevator operator, made the statement that the milling companies were getting about five dollars' profit on every barrel of flour.

We hear a good deal these days about the food controller making regulations, delivering speeches, attending public functions—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. MURPHY: I purpose asking a question.

Mr. SPEAKER: The hon. member is pursuing a very devious road to arrive at his question.

Mr. MURPHY: I have finished my travels and I am going to ask my question. I desire to know, in view of this circumstance, whether the Government has made any arrangement with the food controller or whether that gentleman himself is going to take action to reduce prices.

Sir ROBERT BORDEN: The food controller already has taken action along several lines. I have no doubt that his attention will be directed to the item to which my hon. friend refers and that he will take whatever action may be deemed advisable in regard to it.

Mr. MURPHY: He has not done anything that I have heard of to reduce prices.

PRIVILEGE—Mr. KNOWLES.

On the Orders of the Day:

Mr. W. E. KNOWLES: Mr. Speaker, I rise to a question of privilege. On Saturday last I advocated the principle that members of the Board of Railway Commissioners should not accept personal favours from railway companies. Referring to this, the Toronto Telegram of yesterday has some observations, and I desire to correct the false impression that may be created by them. On page 2 of the editorial column I find the following:

> About the only word of size and usefulness in the many utterances of Mr. Knowles was a well-timed protest against the iniquity of permitting Canada's Railway Commissioners to travel in private cars as the guests of the railways. The chairman of the Dominion Railway Commission travels in a private car.

The impression created by that editorial would be to associate the chairman of the Board of Railway Commissioners with my remarks. I have never heard that he has accepted any personal favours from railway companies, and I had no reference to him whatever personally. I was referring to the general principle without making any reference to the chairman of the Board of Railway Commissioners. A perusal of my remarks in Hansard will show them to be quite consistent with the explanation I give now.

COAL SUPPLY IN THE MARITIME PROVINCES.

On the Orders of the Day:

Hon. WM. PUGSLEY (St. John): Has the hon. the Minister of Marine and Fisheries (Mr. Hazen) any further statement to make in regard to arrangements for transportation of anthracite coal from the mines to the ports of St. John and Halifax? The season is rapidly passing, winter will soon be upon us, and I know the matter is one of very great interest to the people of St. John. The prices of coal are very high, indeed, reaching $15 per ton, and if anything is going to be done it should be done right off.

Hon. J. D. HAZEN: I have no further statement to make at the present moment to the House. The matter was taken up for consideration between the fuel controller, the deputy minister of Marine and Fisheries

and representatives of the coal interests of the Maritime Provinces at a meeting which was held at the city of Montreal a few days ago, the day previous to my making a statement on the subject in the House. On the day that I made the statement I gave instructions to the deputy minister to the effect that I was prepared, if the coal dealers could get the coal, to authorize the requisitioning of schooners to bring coal to Maritime Province ports, such as St. John, Halifax, Charlottetown and other ports at rates that would be very considerably less than the rates which are now being charged. Six dollars per ton to St. John and $7 per ton to Charlottetown are the rates, I understand, that are being charged by the schooners at the present time. I do not know how much further the people interested in the coal trade and the fuel controller have got with the matter. I have no further statement to make to the House to-day.

PURCHASE OF AGRICULTURAL PRODUCTS BY BRITISH GOVERNMENT.

On the Orders of the Day:

Mr. A. B. COPP: In view of the statement made by the hon. the Finance Minister the other day with regard to $50,000,000 being asked by the Government for the purchase of agricultural supplies, including hay, for the Imperial Government, I would like to know if arrangements have been made for the purchase of hay, and if so, where it is to be purchased and how?

Mr. BURRELL: The Imperial Government is not purchasing hay at the present time.

THE MILITARY VOTERS' ACT, 1917.

DEBATE ON MOTION FOR THE THIRD READING ADJOURNED.

On the motion of Mr. Doherty for the Third Reading of Bill 127, the Military Voters' Act, 1917.

Mr. GRAHAM: I have already had a good many inquiries from men at the front for copies of this Bill. More than the usual number of copies will undoubtedly be required.

Sir ROBERT BORDEN: I quite appreciate that. It will be necessary that a very large number should be supplied. It is most important that the people of the country generally, as well as the men at the front, should know its provisions.

[Mr. Hazen.]

Mr. LEMIEUX: Would the Minister of Justice explain succinctly the amendment relating to soldiers who come from the United States? There is a distinction; some will vote in the constituency of their origin or where they last resided in Canada. If the minister would explain, in two words, the meaning of this amendment it would be an advantage as there are many inquiries about it.

Mr. McKENZIE: In connection with the officers who will be appointed in England for the carrying out of the terms of this Bill, I wish to point out to the minister that, in an election trial in 1914, certain men in Nova Scotia were found guilty of bribery by one of the judges of the Supreme Court. Some of those men, who were disqualified by the judge and whose names will be found in the decision, a copy of which I shall furnish to the minister privately, have since been made officers and are members of the force in Great Britain. It would be most improper that these men should have any connection with the holding of the election, and I would suggest that no man should be appointed to any office in connection with the carrying out of this Bill who has been found guilty of corrupt practices by a judge of the Supreme Court.

Sir WILFRID LAURIER: May I suggest to the Prime Minister that it might be better to postpone this order for to-day? We were not prepared for it.

Sir ROBERT BORDEN: My right hon. friend is perfectly right. I had heard that there was an intimation from the other side of the House that there was an objection to the Bill being taken up to-day. It was taken up under a misapprehension, and I move that the debate be adjourned.

Motion agreed to.

CONCURRENCE.

House in concurrence on certain resolutions reported from the Committee of Supply.

Item 99. Railways and Canals—Chargeable to Capital. Hudson Bay Railway—Construction of railway, terminals and elevator, $3,000,000.

Mr. PUGSLEY: Here is an item of $3,000,000 for the construction of the Hudson Bay railway. Notwithstanding the importance of that road in the development of our western country, I doubt very much whether in these war times it is desirable

to continue this very large expenditure. I have read the report of the commissioners who were appointed to inquire into the whole question of the railways of Canada, and I notice that, in reviewing the situation, they report very strongly that the expenditure for the Hudson Bay railway should be reduced to the lowest possible limit. I think the Government should take that recommendation into consideration. The financial situation of Canada is growing worse every day. The Finance Minister has already informed the House that the very last loan which he negotiated cost this country upwards of eight per cent per annum, which, even only a few months ago, was considered a very large rate for a private individual to pay. The Government are to-day confronted with the fact that we cannot go into the money market of either the United States or Canada, and borrow at less than eight per cent. Under these circumstances, it seems to me that this resolution ought not to be concurred in, but that it should be sent back to the Committee of Supply for the purpose of considering whether this very large sum of money for the Hudson Bay railway should be expended. The matter is of very great importance, and this is only one item out of many. The Government is spending very large amounts of money and does not seem to realize the financial condition which confronts Canada to-day. We are spending money in connection with works at various times which might well be permitted to stand over. There is no immediate necessity in these war times for continuing the work so rapidly on the Hudson Bay railway. Before the road can be of any advantage, and before it can carry on the work of shipment of grain and cattle from the Northwest there will have to be an expenditure amounting to probably twenty or twenty-five million dollars in connection with the terminals of the railway; and there will have to be steamship lines, and wharf and other accommodations, all of which can very well wait until the war is over. I ask my hon. friend whether he should ask concurrence of the House in these resolutions, or whether he should not send the matter back to the Committee of Supply and have this item greatly reduced.

Mr. NESBITT: I was not in the House when this item was passed in Supply, and I rise to endorse what the hon. member for St. John (Mr. Pugsley) has said. I think it is a great pity to spend $3,000,000 on the Hudson Bay Railway this year. I am quite sure the Minister of Finance realizes what the country is up against, in the way of expenditure, if nobody else does, as the hon. minister has to find the money for these expenditures. My hon. friend from St. John (Mr. Pugsley) is quite right in drawing attention to the recent loan Canada has made. The rate of interest is very high. I believe the rate is as good as can be obtained, perhaps, but, at the same time, it makes us realize the condition we are confronting. This expenditure, in my judgment, is absolutely unnecessary, particularly in view of the fact that we are now taking over, practically speaking, a transcontinental road which will be owned by the Government, if not entirely operated under their supervision. This road to Hudson Bay is completed to a certain extent, I suppose. I think it is a great pity the minister did not take the rails from this road, instead of obtaining them from some other roads, and send them to France when rails were required. I appeal to the Government to save this expenditure this year, if possible. We have to make provision for all the absolutely necessary expenditures and should not go into one that is absolutely unnecessary. I do not think any human being can show any reason why it is necessary at the present time, nor, so far as we can see, for the future. If we had the means, and were not at war, there would not be so much said against it. Still, it is always wrong to spend money unnecessarily, and, in my judgment, this expenditure is particularly wrong. I hope, even though this item has been passed in Committee of Supply, that the minister will see his way to referring it back to the committee and striking out as much of it as he possibly can.

Mr. COCHRANE: It is impossible for me to do as the hon. gentleman from St. John (Mr. Pugsley) wants me to do in this respect. Last fall we made a contract for the building of a very large bridge across the Nelson river, and that bridge is under construction at the present time, and it will take another month, perhaps, to finish, before we will be able to pull out. We do not propose to go on with the works down at Nelson any further, and we will let them stand. But we must have a portion of this money, in order to pay for what we have undertaken.

Mr. PUGSLEY: What portion is required for the bridge this year?

Mr. COCHRANE: About $350,000.

Mr. PUGSLEY: That is only a tenth of the vote.

Mr. COCHRANE: That does not matter. We do not need to spend it, even if we pass it.

Mr. MACDONALD: The answer which is continually given the hon. gentlemen on this side of the House, when a reduction of expenditure is suggested, is that the Government do not need to spend the money simply because it is voted. If they do not need to spend the money, they do not need to vote it. That seems to be a very ready answer to that argument. When the Minister of Finance talks to the people of this country about economy in their personal expenditure, one sits aghast when he observes the reckless manner in which the country is rushing into debt and extravagant expenditure, and into taxation which will become of a most serious character day by day, on account of the necessary obligations incurred in the conduct of the war. In view of the manner in which my hon. friend has dealt with these matters, he cannot expect the people to listen to his appeals for the exercise of economy. We are asked by the Government to vote a total estimated expenditure of $254,014,-238.29, of which the statutory expenditure amounts to $74,000,000, in round figures. The item for interest on public debt amounts to $57,720,000. The country has been asked to respond to the special impositions made upon them, on the ground, forsooth, they are necessary for the war. Instead of coming to Parliament and saying: Give us this money; if we do not need to expend it, we do not have to, my hon. friend himself should give the people a lead by practising economy. In his public financing my hon. friend disregards the very first essentials of economy. For instance, take the ridiculous votes for the Quebec and Saguenay for the purpose of carrying out private arrangements with private parties; the unnecessary expenditures for the extension of railways, which hon. gentlemen know cannot possibly be made use of until the war is over; votes for telephone expenditures in British Columbia intended for election purposes. When hon. gentlemen talk about patriotism and economy and at the same time practise the very reverse, they can hardly expect the people of the country to take them seriously. The matter to which the member for St. John (Mr. Pugsley) referred is an illustration. Even if the Hudson Bay railway were completed to-morrow, it would be absolutely impossible to get a single vessel to go to Hudson bay for years to come. The transportation services of the country have been so impaired that ordinary products cannot be transported across the ocean; in the Maritime Provinces we cannot get coal from Boston: Gentlemen who live in the centre of Canada, who have the advantage of transportation by rail, have no idea of the conditions that prevail in connection with marine and transportation, particularly in the Maritime Provinces. The expenditure referred to by the member for St. John would, therefore, be absolutely nugatory for years to come, even if the Hudson Bay railway were soon completed to Port Nelson.

The people submit willingly to taxation that is necessary for the purpose of maintaining our part in the war, but they object to giving out of their incomes and out of their profits money that is diverted by the Government to unnecessary works that could well be postponed until these larger problems are settled. I pointed out the other day, when dealing with this question, the debt which rests upon Canada—a debt which is the result of the attitude taken by hon. gentlemen opposite with reference to railway and other problems. That debt now amounts to $2,000,000,000, with another quarter of a billion in addition, upon which interest has to be paid. Is there to be no end to this riot of expenditure and extravagance? When the war is over, is our financial condition to be such that no man will venture to come to this land of hope and promise because of the tremendous burden placed upon the country by the reckless mismanagement of this Government during the last five years? If the men who come to Canada must pay an impost greater than that which he would have to pay in almost every other country, greater than which he would have to pay in any other part of North America, what is the use of hon. gentlemen prattling about the flow of immigration to Canada? If present conditions continue, we cannot look forward with any degree of confidence to Canada's re-establishing herself when the war is over. When the Government are asked why they do not implement their promises to the people, they say: Oh, we do not want to spend the money; yet when they are given the right to spend money, they do spend it. The Government should say to the country: we will not ask a single dollar from the people; we will not ask Parliament to vote a single cent, unless the

4 p.m.

money is absolutely essential for the carrying on of the affairs of the country. The moment they go beyond that, the moment they take upon themselves the power to use money that is not absolutely necessary for the carrying on of the country's affairs, that moment they become extravagant; that moment they become criminally responsible for the financial position which is rapidly coming upon Canada. To-day there is only one financial market in the world to which Canada can go for financial aid. To that country the Finance Minister has gone for money and has been compelled to make a loan at a rate of interest and subject to charges greater than ever before. We are making a daily expenditure of $850,000 on the war, and when the Minister of Finance goes to the United States for another loan the bankers to whom he submits his claim for credit will not be insensible of the financial position of this country and of the record of the Finance Minister in respect of expenditures both ordinary and special. He will not be able to get another loan on the terms upon which he got the last one; he will have to pay more interest, more commission, more deductions than those which obtained in respect of the last one.

Hon. gentlemen are not honest with the people of this country when, after imposing taxation for the purposes of the war, they divert the money to building unnecessary works like the Hudson Bay Railway, or give it to Sir Rodolphe Forget in connection with the Quebec and Saguenay Railway, or spend it on some of these other items in the Estimates which are of a very extravagant and unnecessary character. If the House agrees to the proposal submitted by the Minister of Railways and votes $3,667,745 for the Quebec and Saguenay Railway, will the Minister of Finance deny that every dollar of that amount was taken from the pockets of the people of this country under the guise of taxation which was necessary to carry on the war? What possible right has this or any other government to divert money obtained from the people for war purposes, to an unnecessary work such as the one I have mentioned, or the one to which my hon. friend from St. John referred? Of what use is it to appeal to the patriotism of our people when they see that the money that has been taken from them under the guise of being necessary for war purposes is being absolutely diverted without any justification whatever to these various items involving expenditures which are absolutely unnecessary, and which in a great many cases show a reckless disregard of conditions in this country at the present time. Is there any limit to hypocrisy in this country?

Some hon. MEMBERS: Hear, hear.

Mr. MACDONALD: What do my hon. friends mean by saying "hear, hear"?

Sir THOMAS WHITE: You will find out in a few minutes.

Mr. MACDONALD: The minister smiles, but I defy him to deny that the money he is giving to Sir Rodolphe Forget was obtained from the people of this country under the guise of war taxation.

Mr. SPEAKER: Order.

Sir THOMAS WHITE: The reason hon. gentlemen on this side of the House said "hear, hear," was because we agreed with the hon. member that there was no limit to hypocrisy.

Mr. MACDONALD: The statement I have just made in connection with the Quebec and Saguenay railway—

Mr. SPEAKER: Order. The motion before the Chair is that a resolution of Friday, July 13, shall be concurred in. That resolution contains no reference to the Quebec and Saguenay railway, and therefore it is not in order for the hon. member to discuss that matter.

Mr. MACDONALD: I am sure, Sir, that on reflection you will not say that I have not the right to present reasons why it is not in the interests of this country that this motion should be concurred in, in view of the present financial condition of the country and the demands which have been made upon the treasury in connection with the Quebec and Saguenay railway and other matters.

Mr. SPEAKER: It is, of course, competent for the hon. member to refer to the Quebec and Saguenay railway by way of illustration, but he should not enter into a discussion on it.

Mr. MACDONALD: I have not done so. I was simply referring to it in connection with other items in the Estimates, to show that the Government were improperly diverting money that had been obtained under the guise of war taxation, and I said they had no right to do that. That is why I asked, is there a limit to hypocrisy? Hon. gentlemen opposite who talk about winning the war and bearing the burdens of it, raise money from the people of this country os-

tensibly to carry on the war, and then hand it out to political favourites. Day by day the people of this country are realizing more clearly that the money that was obtained from them for war purposes is being diverted to works which could very well wait until after the war. My hon. friend will tell us that certain works must be carried on during the war. The Minister of Railways says that he has made a contract for building a bridge, and the Minister of Finance and other hon. ministers will have equally specious reasons why the other items should be concurred in. Look, for instance, at the items for the Public Works Department on pages 15 and 16 of the Supplementary Estimates. Does the Minister of Finance mean to say that it will help win the war if those items are voted? Does he mean to say that this Government have any right to divert to these items the money that was obtained for war purposes? My hon. friend knows the financial condition of this country at the present time. He has complained publicly of the burden that has been placed upon him, as Minister of Finance, in dealing with these questions. We all know that his task is a serious one. It may be that my hon. friend does not sit tightly enough upon the treasury of this country. He is perhaps too ready to yield to the solicitations and other methods adopted by his colleagues when they desire expenditures to be made. I think my hon. friend's serious appreciation of the financial condition of this country—and he must have a serious appreciation of it because he knows the facts—is sometimes weakened by the importunities of the hon. gentlemen who are associated with him. But if that is so, it is no excuse or justification whatever for the minister. There should be no expenditures in this country whatever except upon works that are absolutely essential. Not a dollar should be spent on works involving commitments for the future. As my hon. friend beside me has pointed out, the contract for the bridge referred to by the Minister of Railways was let last year, during war time, with a full knowledge of our financial conditions.

What is the condition to-day in this country? The munition workers are being laid off. One of the greatest sources of revenue that the Minister of Finance has, namely, the customs, is being struck off because of the lessened demand for the raw materials and machines necessary in the production of munitions, and on which duty would have to be paid to the treasury. The plain people of this country, who have this source of income stopped, are nevertheless compelled to submit to the various forms of taxation imposed upon them by hon. gentlemen opposite. Does my hon. friend mean to say that under those circumstances the money of the people should be used for any other purpose except to maintain ordinary conditions in this country? My hon. friend must get down to that basis, for that is the only proper basis in these times. To say that, notwithstanding the financial condition of the country, we should vote large sums of money to hon. gentlemen and leave them to decide whether the money shall be spent or not, is absolutely improper. If an item in the Estimates cannot be absolutely justified as being necessary at the moment, it should not be voted by Parliament, but should be struck out.

Mr. LEMIEUX: The conduct of the Government, so far as commissions are concerned, reminds me of that famous saying of a great orator during the French Revolution: that the Revolution was not unlike Saturn devouring his own children. The Minister of Finance, the watchdog of the treasury, is improperly diverting the revenues of this country at a tremendous rate. Look at the number of commissions that have been appointed by this Government to investigate almost every subject. The latest important commission to be appointed was the Drayton-Acworth-Smith Commission. And the Government ignores its conclusions. The Government appointed the best men in Canada, the United States and Great Britain, to investigate the railway situation here. I find in the report of this commission—the Drayton-Acworth report—quite an instructive statement in regard to the Hudson Bay railway, which we are now discussing. At page 82 they say:

> We understand that construction work on the Hudson Bay line has been suspended. We think that the work should not in any case be recommenced till more urgent needs have been met and money is more easily procurable. And if work on the line is begun again, we think it should be done in the most economical manner possible, and only up to the standard of a local line, bearing in mind that it cannot be expected for many years to come to be self-supporting. Considering the small advantage in rail mileage from the grain-growing areas, which the Hudson Bay possesses over the existing routes to Port Arthur, and that from many districts it possesses no advantage at all; considering further the short and uncertain period of navigation in the bay, and that grain consigned to Port Nelson will consequently always be liable to be detained there for nine months till navigation is again opened; considering that

higher ocean freights may be expected to absorb, if not more than absorb, any possible saving in rail rates, we cannot believe that this route will ever secure any serious share in the export trade. Still less can we think that it will handle an important business. Unless considerable mineral wealth should be discovered in the territory which this line will open up, it must, we fear, continue to be almost indefinitely a burden upon the people of Canada. And everything that can be done should be done to make this burden as small as possible.

At the end of their recommendations, I find the following words:

We recommend that future expenditures on the Hudson Bay Railway be reduced to the lowest possible amount.

I am surprised to find in the Estimates such a large item as $3,000,000 for the railway terminals and elevator at Hudson bay. I know the answer of the Minister of Finance will be that the railway was started under the regime which preceded his, but that is not an answer; it is a poor excuse. We must not forget that we are at war, and that the bulk of the expenditures are voted, or should be voted, for war purposes. When I see such a large item as $3,000,000 for an enterprise which is looked upon by the royal commission appointed by the Government as a burden on which but a minimum should be expended, I consider the Government is reckless and should not be given an opportunity of spending the money in this way, when it is so much needed elsewhere. When war was declared, the right hon. leader of the Opposition uttered some words of wisdom which should have been of benefit to the Government. Speaking in the House of Commons, he said:

I submit with all deference to the judgment of the free people that economy and retrenchment, not more taxation and more expenditure, is the proper policy under present conditions.

One has only to look at the bulky Estimates which have been laid on the table of the House session after session to come to the conclusion that the Government is absolutely money-blind, so far as concerns the question of expenditure. The words of the Minister of Trade and Commerce, when he sat in Opposition, are still ringing in our ears. In those days, when Mr. Fielding, our very able Minister of Finance under the Laurier Government, would come with Supplementary Estimates ranging from $1,000,000 to $3,000,000, there was a storm of protest from the Opposition benches, led by my hon. friend (Sir George Foster). This year, when we have been bled white by all kinds of taxation measures in order to meet the war contingencies, the Government comes first with Estimates far above those which have been heretofore presented to the House, and then, during the last days of the session, they come with Supplementary Estimates of more than $50,000,000. I say it is scandalous conduct on the part of the Minister of Finance; he has no regard for the taxpayers of this country.

I know one thing: if the hon. Minister of Railways and Canals (Mr. Cochrane) had his own will, had his own say, in this matter he would cut out this $3,000,000 for the Hudson Bay railway and this other item of $3,000,000 for the Quebec and Saguenay railway. We know the hon. gentleman. We all admit, Mr. Speaker, that he has given a fair administration of the Intercolonial railway to the people of Canada. He has been able to resist his own friends on the other side of the House in their attempts to raid the treasury. But, Sir, the Minister of Finance has been dabbling in millions and millions. He belongs to the Toronto school, the school of Sir Byron Walker, of Sir Joseph Flavelle, and others. They are accustomed to dabble in millions and millions, and while my hon. friend has transferred his activities to the Dominion, he continues their methods. He is money blind. He does not seem to know the value of money. Hundreds of millions of dollars are to him what a few dollars are to humble mortals like you, Mr. Speaker. and myself. Let us remember the words of his leader, who was then in opposition. In 1911, when the hon. gentleman joined the merry-go-round of the Tory party, his leader, speaking in Toronto, used the following words:

The increase in what is known as ordinary controllable expenditure of from $36,000,000 in 1896 to $79,000,000 in 1910 is proof of extravagance beyond any possible defence and establishes a prima facie case of corruption.

This was published in the manifesto of the leader of the Opposition in 1911. The increase referred to by the then leader of the Opposition was at the rate of $4,000,000 a year. What, then, is there to be said of an increase of from $98,000,000, in 1911-12, to $135,000,000 in 1914-15, or at the rate of over $12,000,000 a year? If there was corruption with an increase in expenditure of $4,000,000 a year, surely there is extra corruption in an expenditure which has increased at the rate of $12,000,000 a year. The right hon. Minister of Trade and Commerce (Sir George Foster), who was very vitriolic in his denunciations of the Liberal

Administration, used the following words in 1908. Speaking on the Budget debate of that year, the present Minister of Trade and Commerce said:

> The rapid pace which has been set and the recklessness of the expenditures that have been undertaken have uprooted all the old rules and all the old lines in reference to expenditure. Whither are we rushing?

I am surprised that the eloquent voice of my right hon. friend has never been raised even when trade and commerce was seriously on the decline, against the expenditures which for recklessness made the highest mark set by the Liberals look like expenditures of a certain provincial government. The hon. the Minister of Finance has repeated in my presence the statement that this Government was ready to spend the last dollar to win this war. I thought that it was only a figure of rhetoric, but looking at the Main and Supplementary Estimates, considering the huge expenditures and considering the transaction which was put through the committee stage yesterday and which was to come up for third reading to-day as well as the legislation that is yet to come, I am under the impression, indeed I do believe, the hon. gentleman is literally bound to spend the very last dollar there is in Canada. It is the opinion of the people who have some regard for economy, who have some regard for other people's money, that the Minister of Finance is absolutely reckless and that this Government deserves severe condemnation for its unwarranted expenditures.

Mr. OLIVER: Mr. Chairman, while I am quite ready to agree with a great deal that has been said by my hon. friend who has just sat down (Mr. Lemieux), and other hon. gentlemen who have spoken on this side of the House, there are certain facts in connection with this Hudson Bay enterprise that, although they have already been discussed, it is necessary to repeat on this occasion so that there shall not be any misunderstanding with regard to the project. As I pointed out on a previous occasion, this particular Hudson Bay enterprise stands in a somewhat different position from a number of other projects that have been compared to it. There is no relation whatever between the Hudson Bay enterprise and the Quebec and Saguenay purchase. The Hudson Bay railway enterprise was inaugurated as a practical matter, I think, in 1910—that is more that seven years ago—and it has been in process of being carried forward ever since as a matter of Government policy to which both parties were committed. As far as I know, it has not been made the subject of adverse public criticism in its administration or execution up to the present time. That is not the position at all with regard to the Quebec and Saguenay enterprise, which I am not discussing at the moment but which had its inception before the House a year ago. One great difference between these two cases is that the Hudson Bay railway enterprise was started and was well under way before war conditions occurred. The Quebec and Saguenay enterprise was entered upon long after war conditions had occurred. Therefore, the two matters are not at all in the same class. I recall some criticism of the Hudson Bay enterprise, made, I think, by the hon. member for St. John (Mr. Pugsley). One of his criticisms was that owing to the shortage of shipping it would not be possible to make effective use of the Hudson Bay Railway terminal as it was not possible to adequately supply the present ports of Canada with shipping.

There is another feature of this case, however, that I think is worthy of some attention. Canada has practically only two ocean ports. It has three ocean ports, but for the purpose of my argument the two winter ports are as one. It is possible to blockade the ports of Canada as they stand at present with a minimum of difficulty. There is no other country in the world which depends for its ocean outlet on only one port, and that port under such conditions as to line of travel, as Canada in the case of the port of Montreal. The smallest possible naval effort could blockade Canada's trade during the summer months, and only a little greater expenditure of naval effort could blockade Canada's winter trade from the ports of Halifax and St. John. I submit that under those circumstances it is important to this Dominion of Canada, especially in time of war, that we should have another Atlantic port so situated as not to be subject to blockade by the naval forces that could blockade our present Atlantic ports. There is no doubt that the sea route from the Hudson Bay port is so different and is under such different conditions from the ports of Montreal and Halifax that it offers, in some measure, a means of safety for the traffic of Canada in time of war during the period that the route is open. That is well worthy the consideration of the Government of Canada and well worthy of expenditure in order to make the route available for trade.

I have said before, and I am quite willing to agree now, that if, since the outbreak of the war, it had been the policy of Canada to restrict all public works expenditures with a view of concentrating her financial strength in carrying the burden of the war, it would have been quite proper, and I do not think there is a man in Western Canada who would not have agreed that all work on the Hudson Bay railway, although even at that time a very considerable expenditure had been made and considerable progress had occurred, should be abandoned. But that was not the policy of the Government of that day and it was not the policy of Parliament; expenditures on an enormous scale were going on in various parts of the country, and the Hudson Bay railroad was dealt with as were other enterprises, and progress, while it may have been slackened, was not stopped. We must all take some measure of the responsibility for that condition. We can all agree now that it was unfortunate in the interests of the country that that attitude was preserved by the country. But it was preserved and progress has continued on that work as it has on other great works then in hand, with the result that to-day the Hudson Bay road of 425 miles is completed with the exception of 90 miles, and on that 90 miles, I understand, the grading has been done. I submit that under those circumstances it would be a misfortune if, after having completed nearly 350 miles of this railroad, including the two great bridges across the Nelson river which are very costly, and having completed the grading to Hudson bay, and having also spent $5,000,000 in port development, we should now stop work for the sake of the cost of laying the rails on that 90 miles of already graded track. I understand that the rails are already purchased. Therefore there seems to me to be no possible reason why the work should not be continued to completion until the rails reach the bay, at which time the expenditures made on the port will be available for use.

I shall, of course, have to agree that under present conditions and with the shortage of shipping even to meet the needs of the present Atlantic ports, we cannot expect that the completion of the railway to Port Nelson will give us the traffic by way of Hudson bay that we expected when we entered upon the enterprise and what we would have if shipping conditions were normal, as we hope they will be some day in the future. To that extent the arguments of my hon. friends are good. But let me deal with this other phase of the matter. There are 90 miles of track to be laid in order to bring the waters of Hudson bay into close touch with the prairie West. There is no question that there are possibilities of development in Hudson bay, in the matter of fisheries and of mineral development along the shores of the bay, so great that it would be in my mind a crime against Canada if, being within a step of the possibility of realizing on those resources at this particular time, we should fail to take that step which is merely, as I understand it, laying the rails on the 90 miles of graded track. This is a feature of the case of which I think everybody should take cognizance. We could not afford to build 425 miles of railway for the purpose of reaching the resources of the Hudson bay. It would never do to build that road as a local road. But, being within 90 miles of completion, we would be falling very short of our duty if we did not complete it so as to have the advantage of those local resources; the advantage of the road as a local road. But, further than that, not until the rails reach the bay can the practicability, the advantages and the disadvantages of the ocean route be absolutely demonstrated. When we are within a step of being in a position to demonstrate these advantages, I think it would be a great crime not to take that step and secure the completion of the road to the bay.

Mr. MORPHY: Has the hon. gentleman any faith in the practical utility of the road as an outlet for the products of the prairie West, apart altogether from the resources of Hudson Bay?

Mr. OLIVER: That is hardly a practical question before the House at the present time. The Parliament of Canada decided years ago that it was, or would be, a practical outlet for the products of the prairie West. Both sides of the House agreed to that. I maintain that, having agreed to that policy, and having carried construction as far as we have carried it, it is not worth while arguing on that point. We came to a certain conclusion, and acted on it, and being within a short distance of the bay now, it will pay us to complete that small portion of the road as a local developer. It is not really to the point to argue back again on the merits of the original scheme; but, to answer my hon. friend directly, I say that ever since I

studied the question—and I may say I studied it very many years ago and always kept in touch with it—I have always had the greatest possible faith in the advantage of the opening of the Hudson Bay route, to bring the products of the West in closer and cheaper touch with the markets of the world. At the present time, as in past years, anywhere from one-third to one-half of the great wheat product of the prairie West finds its outlet to the European market by way of United States routes and ports. That proportion has been increasing rather than decreasing in recent years. Port Nelson is as close to the centre of the wheat fields, and to everything that lies west of that centre as is Port Arthur, and Port Nelson is as close to Liverpool as is Montreal. These being the facts, surely it is the business of every patriotic Canadian to try to secure for our own country the traffic in our own products. If there were no other reason for the development of the Hudson Bay route, a reason would be found in the fact that our present transportation and port facilities in Canada are not able to hold for us the transportation control of our own products. Under present conditions half of the products of the West find their way to the European markets through the United States.

Mr. PUGSLEY: Because of insufficient elevator accommodation at certain places.

Mr. OLIVER: I am not saying what the cause is.

Mr. PUGSLEY: Because of lack of Government elevators.

Mr. OLIVER: I agree with the hon. gentleman from St. John (Mr. Pugsley). I will go as far as the hon. gentleman does in accusing the Government of all the crimes in the calendar.

Sir THOMAS WHITE: Any more?

Mr. OLIVER: And then some. They have not provided the elevators, which I think they should have provided at the ports of St. John and Quebec, and thus more fully employing the railroads running to these ports. I quite agree with him in that, but I am taking the facts as they are, and those facts are that half our grain goes out via the United States. We are not able, under present conditions, to retain the transportation of our own traffic in our own products. The Hudson Bay route would give us a fair and reasonable opportunity to retain a large proportion of that traffic in our own grain, and for that reason, it seems to me that, under ordinary circumstances, and in normal times, the Dominion of Canada was well warranted in deciding to incur the obligation to construct the Hudson Bay railway.

I have not been arguing upon that question, except as it was raised by the hon. member for North Perth (Mr. Morphy); I have been arguing on the question in its immediate and present conditions, and it is under those conditions I would be compelled to support the Government in taking such measures as are necessary to get those rails laid to the waters of the Hudson bay—having come within such a short distance, and there being such a comparatively small expenditure to be made to achieve that end. I would have agreed to drop the expenditure on the Hudson Bay railway at the beginning of the war, if that had been the policy of the country, and the Government, but when it was not their policy, I certainly, as a western man, feel like insisting very strongly that the Hudson Bay railway should receive the same consideration as all the other great enterprises upon which the country had entered previous to the war. After having agreed, as we did last night, to an expenditure of upwards of $60,000,000 for the relief of the Bank of Commerce, I think it is not a time when we can quibble or quarrel——

Mr. CURRIE: No.

Mr. OLIVER: If my hon. friend (Mr. Currie) insists, I do not wish to convey for a moment the idea that that would be all the expenditure that would be involved, for I have no doubt several hundred millions will be ultimately involved, but last night we specifically agreed to pay out of the depleted treasury of Canada, under war conditions, subject to an award of arbitrators, a sum of $60,000,000 for the relief of the Bank of Commerce, and, under these circumstances, I submit that the subject of the completing of the Hudson Bay railway is not a matter of such comparative magnitude as to entitle the enterprise to be dropped.

Resolution concurred in.

Sir THOMAS WHITE: I desire to call attention to the fact that the debate which has taken place is out of order. I only raise the question because I do not desire a precedent to be established. The debate was upon the question of concurrence, and not upon the motion that the report of the committee be received. Under rule 17 (A) the debate is out of order.

Mr. PUGSLEY: The question raised is one of very great importance as affecting the procedure of the House, and it is one I am sure we would all like to have settled if possible, with a view to having a change made in the rules. I think the Minister of Finance is technically correct, that under Rule 17 (A) we cannot debate concurrence in the form in which it appears on the Order Paper.

It is clear, however, that we can debate the receiving of the report of the Committee of Supply, which is the same thing. But this is where the mistake is made: on the Order Paper the words should be not merely "Receiving report of Committee of Supply," but "Receiving and concurring in report of Committee of Supply." If the order is not entered on the Order Paper in that way, there is no item on the Order Paper for concurrence. Rule 40 requires that two days' notice shall be given for leave to present a Bill, resolution or address. This is a resolution, presented by the Minister of Finance, that the report of the Committee of Supply be concurred in. Except with the unanimous consent of the House, he cannot make that motion without giving two days' notice.

Mr. SPEAKER: This point has been under my consideration since the order was called, but unfortunately I have no precedent to guide me, inasmuch as the point of order has not been raised since the rule was passed in the year 1913. I am compelled, therefore, to give my own interpretation of the rule.

With respect to the point of order raised by the Minister of Finance, Rule 17 A provides that the following motions shall be debatable: (1) Motions heretofore debatable made upon routine proceedings (except adjournment motions); (2) and every motion standing on the order of the proceedings for the day; (3) for concurrence in a report of a standing or a special committee; (4) for the previous question; (5) for the third reading of a Bill; (6) for the adjournment of the House under Rule 39 for the purpose of discussing a definite matter of urgent public importance; (7) for the adoption in Committee of the Whole, or of Supply, or of Ways and Means, of the resolution, clause, section, preamble or title under consideration.

The motion now before the Chair is that the resolution be read the second time and concurred in. It does not come within any one of the motions which are debatable. I am therefore of the opinion that the point of order raised by the Minister of Finance is well taken and that the motion is not properly debatable. I did not feel it advisable to raise the point myself without having given it very mature consideration.

With respect to the point of order raised by the member for St. John (Mr. Pugsley) under the provisions of Rule 40, I am inclined to think that he is in error, inasmuch as the notice for receiving the report of the Committee of Supply has been on the Order Paper for many weeks. I think that that answers the requirement that notice shall be given.

Mr. PUGSLEY: The notice on the Order Paper is simply that the report of the committee be received. The motion that the report be concurred in is supposed to be moved by the Minister of Finance.

On the order being called:

Receiving the report of resolutions adopted by the Committee of Supply on July 14, 1917.

Mr. PUGSLEY: According to Your Honour's ruling, if we wish to debate any subject connected with these resolutions we must do so on the motion that the report be received. But we cannot tell what the report of the committee is until it is read; therefore I respectfully submit that the report should be read before the motion is put; that it be read the first time and concurred in.

Mr. SPEAKER: The items of the resolution are within the knowledge of hon. members; they are entered in the Votes and Proceedings. A copy of the resolution itself is available to any hon. gentleman who wishes to discuss the matter. It would not seem to me to be putting matters in their proper sequence to give the contents of the resolution before the motion is put. Does the hon. member desire that I should put the formal motion?

Mr. PUGSLEY: I do not want to press a technical point, but there are some items of Supply which I wish to discuss. There are a great many different resolutions, and unless I know which one is referred to I cannot very well discuss it upon the motion for receiving the report. Perhaps it would be satisfactory if I got a copy of the resolution; I could find it in the Votes and Proceedings.

Mr. SPEAKER: Unless the hon. member has in mind some particular item that he wishes to discuss, I prefer that he should not now press me for a ruling on the point. It is my impression that there is no record since Confederation of a motion having been made in the House for

receiving of the report of the Committee of Supply. The subject is one of great importance, and I do not wish to be called upon to making a ruling without being able to give the matter very mature consideration. If the hon. gentleman has in mind any particular item that he wishes to discuss, he can obtain particulars concerning it by examining the items to be concurred in.

Mr. PUGSLEY: We might take the same course, simply for to-day, as was taken in regard to the Hudson Bay item, without establishing any precedent.

Sir THOMAS WHITE: I am entirely agreeable to that proceeding by consent. I raised the question only because I did not desire that the precedent should be established.

Resolutions read the second time and concurred in.

Public works chargeable to income—Dredging.

Mr. PUGSLEY: Before this item is concurred in, I would like to call the attention of the Minister of Finance to the fact that there are large amounts for dredging. I would like to point out that the dredging work in Courtenay Bay in the harbour of St. John has been entirely stopped for a great many months, and all the expectations that were held out about five years ago by my hon. friend have not been realized. The people in my constituency are very desirous of knowing why the work is not being proceeded with. Without going into detail in the matter, I would like to ask my hon. friend if he would give me the name of the official to whom I could make application for information on this most important matter. I would also like to know what is the amount of deposit the Government has from the contractors. When I was minister I required a deposit of $500,000. I have been told this has been reduced by one-half. I would like to know, as well, whether the contractors have been released from their contract, and whether or not the deposit is still in the hands of the Government. Am I to understand that the Minister of Customs is acting Minister of Public Works?

Mr. REID: The Prime Minister has asked me to act for the Public Works Department in the meantime. In the supplementary Estimates there are a large number of items for the Public Works Department, and my hon. friend will have all the information he requires in connection with this matter when we take up the Public Works Estimates in committee. I would suggest that the item be allowed to pass. The hon. gentleman will have no objection to this, because there is an item covering that work in the Supplementary Estimates.

[Mr. Speaker.]

Mr. PUGSLEY: Does the minister say that one of the items is intended for this purpose? If I were assured of that, I would have less hesitation in acceding to the request of my hon. friend. The fact that nothing has been done, and that rumour states the contractors have been allowed to withdraw their deposit of more than half a million dollars and abandon the work.

Sir THOMAS WHITE: Is that not what the hon. member for Pictou (Mr. Macdonald) was suggesting should be done—stop all works?

Mr. PUGSLEY: And return the deposits?

Mr. REID: My hon. friend is wrong in reference to the deposit. The deposit was not given just offhand. As far as I can remember, the deposit was not returned to the contractor. I do not wish it to be understood that this statement is absolutely correct, because it may be subject to revision when I look into the matter again, but the situation as I remember it was this: There were claims of parties for work, and the deposit was used, or is being used, or will be used, to pay off legitimate claims, after investigation, of parties employed on the work. I do not think the deposit would pay them all. I have not had much to do with it; therefore, I cannot remember whether that statement is really accurate. I may have to change it when I get the whole facts.

Mr. PUGSLEY: The minister will inquire into it and get the facts?

Mr. REID: It is very difficult for me to speak as to the facts, because it is not in my department.

Mr. PUGSLEY: It is a matter of very great importance. I have been told that the deposit has been withdrawn and that a great many claims are left unsettled. That deposit ought to be held as security. If the minister will give me the assurance that he will get that information, I will not detain these Estimates further.

Mr. REID: I will give the assurance that I will get full information on every one of these items.

Mr. PUGSLEY: I am very glad to know that the minister is acting as Minister of

Public Works, because, on the occasion of the banquet that I refer to, he told the people of St. John that Pugsley's ideas were all too small, and that if they wanted more money for St. John harbour all they had to do was to go to the Minister of Customs.

Mr. REID: That was before the war.

Item concurred in.

Dominion public buildings—rents, $700,000.

Mr. PUGSLEY: I would like to ask the Minister of Finance if he will not look into the question of the rents which are paid out in the city of Ottawa for public buildings. It does seem to me to be extraordinary that, with all the public buildings which are owned by the Government for the accommodation of its employees, the Dominion should be paying rents running up to in the vicinity of half a million dollars—I am not quite sure whether they exceed that or not—for private buildings in the city of Ottawa.

I am told there are men here who make a business of acquiring land and erecting office buildings on it for the purpose of renting them to the Government, and others who rent buildings and then sublet them to the Government, middlemen who do the renting of the Government. Since this Government came into office the rents have become enormous beyond all reason, and that in spite of the fact that the Government has, within the last three or four years, expropriated all that property facing upon Vittoria and Wellington streets, running for half a mile, and containing upwards of one hundred splendid buildings, where many officials could be accommodated. Still the Government are paying out in the vicinity of a half million dollars a year for rent. I brought this matter up on Supply, but received little satisfaction. I would ask the minister to go into the question very carefully, as there is no reason why these enormous rents should be paid in Ottawa.

Mr. REID: I went into the question of the use of the Wellington street buildings very thoroughly when acting for the late Minister of Public Works a year or two ago, and asked the deputy minister to make a report of all buildings in that district that could be used for Government offices.

Mr. PUGSLEY: About one hundred of them, are there not?

Mr. REID: A good many, probably one hundred. I gave instructions to the deputy, which were concurred in by the minister on his return, to see that these buildings were, so far as possible, used for office purposes as required by different departments. I believed that this would effect a great saving. The deputy minister agreed with me and at once had the buildings put in repair, so that they would be suitable for office use. He informs me that practically all the buildings suitable for offices are now occupied by the departments. He prepared a statement showing the total feet capacity of the buildings and the total now occupied by the Government, and that information, together with all information about the St. John works, I shall have when we are again on the Public Works Estimates. The hon. member will then find that we are carrying out the policy which he advocates.

Mr. PUGSLEY: What is the total rental, about one-half million?

Mr. REID: Yes, it is a very large amount. That will all be shown in the statement. Since the war the number of officials in some departments has so increased that much more space is required.

Item concurred in.

Resolution agreed to.

Special allowance to the Chief Justice of the Supreme Court of Canada, to cover travelling and other expenses in connection with his services while acting as deputy to His Excellency the Governor General, $2,500.

Mr. MURPHY: The hon. member for Rouville (Mr. Lemieux) asked a question when this item was before the committee, and the Prime Minister promised to give some information. The item has reference to a reduction by one-half of the allowance formerly made to the Chief Justice for travelling expenses.

Mr. LEMIEUX: The Deputy Governor General.

Mr. MURPHY: The question was whether the amount had been cut in two, and the information was to be given to the committee before the item was finally adopted. Has the hon. gentleman obtained the information?

Sir THOMAS WHITE: No, I have no information about it. The hon. gentleman might raise the question when the supplementary estimates are under consideration.

Mr. MURPHY: The hon. gentleman from Rouville (Mr. Lemieux) raised the ques-

tion, and the Prime Minister said he would obtain an answer.

Item concurred in.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

SUPPLY.

The House in Committee of Supply, Mr. Rainville in the Chair.

Department of Customs—to provide for the promotion of ten clerks, from third division, subdivision A, to second division, subdivision B, and for the appointment of three additional clerks in second division, subdivision B, as follows:—9 at $1,200, 1 at $1,150, 3 at $1,000, in lieu of ten clerks in third division, subdivision A, already voted in the main estimates—further amount required, $3,000.

Mr. REID: Under the provisions of the Civil Service Amendment Act, 1917, there are ten clerks who become eligible for promotion from the third division, subdivision A, to the second division, subdivision B, of the Inside Service. It is proposed to promote these clerks to the second division, subdivision B, from April 1, 1917. In order to do this it is necessary that these clerkships be provided for in the Estimates in the higher division. It is also proposed to provide three additional clerkships in the second division, subdivision B, at the minimum salary. These extra clerks have been employed temporarily and continued since April, 1916, owing to the increase in the work of the department. The names of the clerks to be promoted are as follows: nine at $1,200—F. M. Bradley, Miss F. M. Burt, R. L. Byron, Colquhoun Fergusson, J. F. Lessard, B. A. Neville, H. A. O'Doherty, A. O. Rocque, Miss B. F. Sixsmith; one at $1,150—Miss K. M. Cherry.

Mr. McKENZIE: This item is to provide for the promotion of ten clerks from the third division, subdivision A, to the second division, subdivision B. That, I suppose, is done under the Civil Service Act. Should not the lump sum of money voted in the general Estimates or the main Estimates for the Inside Civil Service provide for this? Before the main Estimates are prepared each department should know what moneys it will require in respect of promotions during the year. Is there not sufficient machinery in the Civil Service Act to provide for these promotions without my hon. friend's coming here year after year, sometimes twice a year, for special votes for special promotions?

[Mr. Murphy.]

Mr. REID: We voted a total amount for the Inside Service. The Civil Service Act gives the permanent employees in the Inside Service an annual increase of $50 per annum until they attain the maximum of their class.

Mr. McKENZIE: All that we are dealing with now is the Inside Service.

Mr. REID: Yes. The increase that the officials are entitled to under the Civil Service Act is added to their salaries, and in that way we arrive at the amount we require for the Inside Service during the year.

Mr. McKENZIE: But this is a special vote.

Mr. REID: This vote is on account of the Civil Service Amendment Act of June, 1917. Section 3 of that Act says:

Sections twenty-nine and thirty and subsection one of section thirty-two of the said Act are repealed, and the following are substituted therefor:

29. In the second division the minimum and maximum salaries shall be as follows:
In subdivision A, $1,600 to $2,100;
In subdivision B, $1,000 to $1,600.

30. In the third division the minimum and maximum salaries shall be as follows:
In subdivision A, $1,000 to $1,300;
In subdivision B, $600 to $1,000.

We have, therefore, by legislation this session increased the maximum and minimum salaries of these different divisions, and we have to provide for that. Subsection 3 of section 2 of the Civil Service Amendment Act provides:

Any person in the Civil Service who was placed in the third division under the provisions of this Act and who had theretofore passed the qualifying examination or had been appointed under the authority of sections thirty-seven or forty of the Civil Service Act, chapter sixteen of the Revised Statutes of Canada, 1906, may be promoted from the third division to the second division by the Governor in Council upon the recommendation of the head of the department, based upon the report in writing of the deputy head.

Mr. McKENZIE: Is this amount of $3,000 required to carry out the provisions of the amendment this session to the Civil Service Act?

Mr. REID: Yes, that is the object.

Mr. McKENZIE: It will not be necessary in future to come here for a special vote for these salaries?

Mr. REID: No. The officials, for instance, whose names I have just read will get their increase next year without my having to ask for a special vote.

Mr. McKENZIE: Is there anything in this vote for the temporary help the minister spoke of?

Mr. REID: We are appointing permanently, when this vote is passed, three officers who have been assisting us temporarily.

Mr. McKENZIE: Are they being appointed in conformity with the Act? Have they passed the examination?

Mr. REID: Oh, yes.

Mr. BUREAU: Does every one who has reached the maximum in his class and has passed the qualifying examination get his promotion?

Mr. REID: Yes, every one of them.

Salaries and contingent expenses of the several ports in the Dominion, including pay for overtime of officers, notwithstanding anything in the Civil Service Act—further amount required, $300,000.

Mr. REID: I have received very many complaints from the officials of the Outside Service in regard to the salaries they are receiving. Owing to the high cost of living the salaries in many cases are much lower than I think they should be, but I cannot grant increases without a vote, and I have asked the Finance Minister to place this amount in the Estimates to provide for an increase for these officials. This vote provides for the salaries of approximately 3,000 officers, many of whom are receiving less than $1,000 yearly salary. In view of the increased cost of living, owing to the war, it is desired to grant a general increase to these officers. It is estimated that this further amount of $300,000 will be required as the present appropriation is insufficient for this purpose. The commissioner and I went into this matter, and we felt that the least we could give was an increase of $100, which accounts for the item of $300,000.

Salaries and travelling expenses of inspectors of ports and of other officers on inspection and preventive service, including salaries and expenses in connection with the Board of Customs—Further amount required, $50,000.

Mr. REID: This vote provides for the salaries of approximately 230 officers, many of whom are receiving small salaries. In view of the increased cost of living owing to the war, it is desired to grant a general increase to these officers. It is estimated that this amount of $50,000 will be required, as the present appropriation is insufficient for this purpose. The high cost of living is affecting very many of the officials very seriously. The commissioner and I have provided for increases to those getting the smallest salaries, to the full amount of the vote last year. We can do no more until a further vote is passed, and I can assure the House that if this vote is passed we will see that it goes as far as possible towards assisting those drawing the smaller salaries.

Mr. NESBITT: I quite agree that a good many men in the outside offices are getting very low salaries, which they have difficulty in living on at the present time. How much of an increase would the minister give to a man drawing, say, from $850 to $1,200? Will these salary increases be distributed regardless of party politics? Complaint is heard sometimes that the older officers who have been in the service for some time do not get their increase the same as the others.

Mr. REID: In the Outside Service there is no stated statutory annual increase, but a maximum is fixed. The policy that was followed by my predecessor and by myself is this: The commissioner and the officials of the department make a list of what they think all of the officials in every office in the Dominion are entitled to, and then submit it to the minister for approval, and it is only in an exceptional case that the minister interferes. As far as I am concerned, I do not think that the hon. member could cite many cases of political interference. I think you will find that in cases where such interference is alleged, there is some reason why the increase was not granted.

Mr. NESBITT: I did not accuse the minister of that, but I said I understood that complaint had been made.

Mr. REID: There are many cases like this: A man may be appointed as a landing waiter in the city where my hon. friend lives, at a salary of $850 or $900, and another man working alongside of him may be getting the same salary Often you will see a man has been increased probably $50, and the man beside him has not had any increase, but you will find in every case that the man who has not received an increase is getting $300 or $400 a year extra.

Mr. NESBITT: What does the minister mean by "extra?"

Mr. REID: Overtime. The regular hours of the customs office in my hon. friend's city are from nine to four, for which the officers are paid probably $900 a year each.

If the landing waiter, for instance, is doing work at a railway station, he may have to go out at any hour. If there are several of them they take it in turns, one starting at seven o'clock in the morning and remaining on duty until four o'clock in the afternoon. From seven o'clock until nine o'clock in the morning he counts as overtime, and the same thing applies from four o'clock in the afternoon until six. Take the case of a man on duty at a river port, such as my own town, or Brockville; the officers there are on duty until twelve o'clock at night, on account of the ferries. They get thirty cents an hour overtime.

Mr. ROSS: The minister must have figured out the increase to be granted to each office. He speaks of an average of $100 for each office. What is the largest increase given under this arrangement, and what is the smallest?

Mr. REID: I have to depend a great deal on the officials to decide as to the increases. One hundred dollars is the average. There will be very few who will get more than that, because it is our desire to give increases to as many as possible. In some cases where the men were getting $750 we gave them an increase of $150. We want to give a little more to the men who are getting the smaller salaries.

Mr. ROSS: There is a customs officer at Glencoe, one at Strathroy, and one at Park Hill, in the county of Middlesex. Can the minister tell me what salaries these men will get under this arrangement?

Mr. REID: I could not say offhand. What I am doing in this case is what I did before; the commissioner, the assistant commissioner, and the inspectors at Ottawa take up the whole list, and when they reach Glencoe, for instance, they will see what the staff there is getting, and will decide as to what increases should be granted, taking into consideration present salary, length of service, and so on.

Mr. ROSS: My reason for asking is that the minister said the increases were being granted on account of the high cost of living. I hope he will recognize the fact that it is costing more to live in the county of Middlesex than it has in the past, and that consequently all these men should get something. Can the minister tell me the largest increase that will be given to any officer? Who is going to get the plum?

Mr. REID: The smallest increase is $50, and there are no great plums.

[Mr. J. D. Reid.]

Mr. ROSS: What is the largest increase?

Mr. REID: I should say $200.

Mr. ROSS: Who will get that, or where will it be?

Mr. REID: I do not know where it will be. Of course, an increase of $100 a year in Glencoe would probably be of a great deal more benefit than the same amount in a large city. I think $200 would be the outside limit of any increase, and there would be only very few instances in which this amount will be given.

Mr. ROSS: What is the salary of the present custom house officer in Park Hill, and what was the salary of his predecessor?

Mr. REID: I could not say offhand. If my hon. friend wishes, I will send him a statement of it to-morrow. The officer at Park Hill was appointed within the last six or eight months, I believe. If I remember rightly, this officer filled two positions, postmaster and sub-collector of customs. We separated the two offices because we found that the official filling two positions could not do satisfactory work in either.

Mr. McKENZIE: The minister might well anticipate questions on an item of this character. I have no intention of spreading my inquiry very widely, but I would like to ask about the towns in my vicinity, which may be, perhaps, a fair sample of what is taking place in other towns and cities. Can the minister tell me the number of officers in the customs house in the city of Sydney; the salary each is receiving; if their salaries are to be increased; and how much they will get under this arrangement?

Mr. REID: I am sorry, I could not give my hon. friend that information to-night. I have asked the commissioner to prepare a full statement showing the proposed increases, and to be fair to every person from one end of the Dominion to the other. That statement has not been submitted to me yet. If my hon. friend would like me to give him further information along the lines he has suggested, or to show him how we are dividing up this vote, I have not the slightest objection to do so

Of course, when increases are granted, we shall have complaints from some who say that they have not received the advance they expected or from others who have not received any increase at all. If, in dividing up this amount, there are cases that we have overlooked, we will take them up

and where any mistake has been made we will correct it. If the hon. gentleman would like further information I have no objection to allowing the item to stand. I think that on the whole the way in which the amount has been divided up has been pretty satisfactory.

Mr. McKENZIE: If the minister is going to allow the item to stand, perhaps I might state the information I want. I would like the names of all officers either directly or indirectly connected with the customs house staff in Sydney, the salary that each is receiving now and the increase that he will receive. I want the same kind of information with respect to North Sydney, Sydney Mines, Baddeck, Glace Bay and Louisburg, so that I may be enabled to see if they have all been treated fairly.

Mr. KYTE: Are these increases to be shared in by all officials of the department in the Outside Service in all the provinces?

Mr. REID: I do not think that I could say that every officer will get an increase. There are many places where men are getting pretty fair salaries.

Mr. KYTE: Will it be shared in by those who are getting salaries under $1,000?

Mr. REID: I think it would practically cover all of these men. In every province increases are granted. But there are men with salaries of, say, $850 or $900 and making $300 or $400 of overtime, while others in smaller towns have salaries of $800 or $900 with no overtime. Three hundred thousand dollars will not allow of a very large increase to any person and there may be some cases where an increase cannot be granted to men who are getting $1,200 or $1,300. But I am willing to go into the case of any locality with any member of this House and show him what the commissioner and his staff have recommended with regard to the officials there. If there is any one who has not been treated fairly, or if I cannot explain any case to the member satisfactorily, I will be willing to revise the recommendation made to me by the commissioner and the staff. I do not think that there has been any case in which I have interfered with the recommendations made to me with regard to increases.

Mr. McKENZIE: I can readily understand that the minister would not have the time or the knowledge to go into details about every officer of his department. I should be wasting time in asking him to give information now about any stated office. But if he will give me the information I am asking for I will be able to judge for myself as to how he has dealt with persons within my own knowledge.

Mr. REID: I will get the information.

Mr. KYTE: I naturally had in my mind more particularly the officials in the counties of Richmond and South Cape Breton. My hon. friend from North Cape Breton (Mr. McKenzie) has asked for information with regard to South Cape Breton and that will suffice. But with regard to the county of Richmond, there are not many officers, but there is the collector at Arichat and the collector at St. Peter's. The collector at Arichat has a salary of $800, and I do not think he gets any overtime. The collector at St. Peter's has a trifling salary of $500. He has to maintain a house and devote all his time to the duties of his office. I certainly think that his case is one which should be taken into consideration in the increase of salaries. The number of officials in Richmond is very small, and I think I am not asking too much when I request the minister, when his Estimates are again before the committee, to have a list of the salaries of these officers and the increases he proposes.

Mr. REID: I think we might let the item stand, and the next time we go into Committee of Supply I will have a list of all the officers, with the salaries they are getting at the present time, and a statement showing how it is proposed to divide up this amount, so that every hon. member may know what is to be done in his constituency.

Mr. KYTE: I think that will be very satisfactory.

Mr. COPP: Does the minister intend to bring this into force as soon as it passes this House or is it to be made retroactive?

Mr. REID: If this item passes and is concurred in, I would think that we might start on the 1st of September.

Mr. DOUGLAS: Would the minister bring down a list of those officials of his department who have enlisted for overseas service and are getting the difference between their military pay and their Civil Service pay?

Mr. REID: Yes.

Mr. McKENZIE: The last time we were dealing with the minister's Estimates we

had a talk about some vacancy in the county of Annapolis, or perhaps in the town of Annapolis. I forget exactly what it was, but the appointment was not made permanent at that time. Somebody was acting temporarily, and there was some talk as to whether a returned soldier would be appointed if a returned soldier were found in Annapolis county. I have since then received a letter from a gentleman in the county of Annapolis—I am sorry that the hon. member for Annapolis (Mr. Davidson) is not here—stating that there were at least two returned soldiers in the county of Annapolis, well educated men, either of whom would be eligible and qualified to fill the office that is now temporarily filled. I would suggest to the minister that he might inquire from the hon. member for Annapolis, or from some private source, if there is a returned soldier in the county who would be a suitable man to fill the office.

Mr. REID: I will have that information at the same time.

Mr. BUREAU: Will this vote be applied to new appointments?

Mr. REID: Appointments will be made out of the general vote and this vote too. It is all added together.

Mr. BUREAU: Is this to be used for increases, or to pay the salaries of new employees?

Mr. REID: We are going to use it for increases.

Mr. BUREAU: The pay for overtime of officials is included in the ordinary estimates?

Mr. REID: Yes.

Mr. BUREAU: The minister said that three thousand civil servants received less than $1,000 a year. What provision in the Civil Service Act does he desire to overcome by inserting the words "notwithstanding anything in the Civil Service Act?"

Mr. REID: You cannot pay a man more than a certain salary under the Civil Service Act.

Mr. MARCILE: The minister promised last winter to rectify an injustice done to Mr. Hamel, of Montreal.

Mr. REID: I think that since the discussion in the House I gave an increase to this gentleman. If I did not I will this time.

Mr. BUREAU: How many of the civil servants who are to receive increases out of this vote have reached the maximum of their class?

Mr. REID: I could not say offhand.

Mr. BUREAU: Will the overtime received by officials be reckoned as salary in deciding on the apportionment of the $300,000?

Mr. REID: You have to take each case into consideration and do what you think is fair and right to those in each port. If in a port one man receives $900 per annum and no overtime and another receives $900 per annum and $350 overtime, or $1,250 altogether, if I had only a limited amount to divide, I would increase the man with the $900 and try to help him out in these strenuous times.

Mr. SINCLAIR: A very obliging preventive officer, Mr. McCutcheon, was dismissed at a small port on the coast of my constituency, Sonora, and a friend of the minister's party was appointed in his place. I asked why the change was made and the minister replied that it was done in the public interest. I was not satisfied with this reply, because it was not done in the public interest but in the interest of the Conservative party in that district, which is a different thing altogether from the public interest. It would be more frank and honest for the minister to tell the exact truth and say that the man was dismissed in order to give a position to a friend of the party supporting my hon. friend.

Mr. REID: I think a return was asked for in that case. I shall bring it down. I do not see that I could have given any other answer than that it was done in the public interest, because it must have been in the public interest or it would not have been done.

Mr. CHISHOLM: Would the minister bring down the names of any preventive officers in Inverness county? I ask this because there was a preventive officer there until 1911. The position was then promised to six or seven men. None of those men knows whether the other fellow is appointed or not, and I cannot tell them. I should like to be able to settle the minds of these men on this point.

Mr. REID: I promised a minute ago that I would bring down a list of all the customs officials on the Outside Service. I will have the names of those in the province of Nova Scotia, and will be able to give the information when the item is before us again.

Mr. MICHAUD: The hon. minister said that the minimum increase would be $50. A man with a salary of $500 ought to get the maximum increase. Has he any chance?

Mr. REID: It depends upon circumstances. We have men getting $200, $300, or, perhaps, $500 a year. They are customs officers at small places where it would hardly pay to keep a permanent officer to do the work, and they do not give their entire time to the work. These men are not as likely to get the increase as those who depend entirely on these salaries for a living.

Mr. McCRANEY: I would like to say a word to the minister with reference to the duty on pure alcohol, which is used in public hospitals.

Mr. REID: If the hon. gentleman is referring to a change in the tariff, that relates to the Finance Department, and not to my department. The Finance Minister makes the tariff.

Mr. McCRANEY: Does the minister in his department not deal with the question of free alcohol, as well as the Inland Revenue Department?

Mr. REID: We only deal with it as stated in the tariff. We do not change the tariff. The hon. gentleman can see the item, and that item has been passed by Parliament

Mr. McCRANEY: I want to discuss a memorandum which I have received from the superintendent of the Saskatoon Hospital, if I may do so. I have a resolution on the Order Paper calling for correspondence, but I shall not be able to get on with that, and perhaps the minister will permit me to place this memorandum on Hansard, and he may give me some answer when the item comes up again. It appears the duty on proof alcohol is $2.42 per proof gallon to wholesale liquor houses, and charitable institutions pay $3 per proof gallon.

9 p.m

Mr. REID: That is imported alcohol.

Mr. McCRANEY: The letter does not say whether it is inland revenue or customs.

Mr. REID: I think the hon. gentleman is referring to the Inland Revenue Department.

Mr. McCRANEY: That may be so.

Mr. REID: But it is all right; the hon. gentleman can make his statement.

Mr. McCRANEY: The chairman of the Board of Governors of the Saskatoon Municipal Hospital sends me this memorandum giving reasons for remitting duties on alcohol:

(1) All hospitals throughout Canada are finding it a great hardship in paying the prices demanded for pure alcohol, one of the most necessary drugs used in the preparation of patients for surgical operations, in the treatment of wounds, and for bathing purposes.

(2) The reason given for the exorbitant price demanded is the excessive excise duty imposed on same by the Dominion Government.

(3) Hospitals are losing huge sums every year in the treatment of the sick. In our own small hospital (100 beds), we have an annual loss of from $15,000 to $20,000.

(4) Statistics show that the average cost per patient per day to hospitals throughout the Dominion runs from $2.15 to $2.50. The Dominion Government have only paid $1.50 per day for soldiers, their wards. They have not allowed extras for operating-room fees, or expensive drugs.

(5) Where alcohol is used in any quantity, or any other expensive drug, hospitals are compelled to charge the patient for same, therefore it increases the cost to patients, and thereby puts a penalty on sickness.

(6) Thirty to forty per cent of patients treated in public hospitals are unable to pay anything, and in consequence the hospitals have to bear the entire burden.

(7) Is it necessary to obtain revenue from the sick and afflicted, particularly when our universities are allowed the privilege of imparting anything they require for experimental and teaching purposes? Public hospitals, we consider, should have the same privileges extended them as our universities are receiving.

(8) The United States Government allows all hospitals alcohol tax free, ...

(9) From the good work our public hospitals are doing, more especially as they are losing thousands of dollars annually, we consider the Dominion Government should allow, not only alcohol, but all hospital supplies to be imported free of duty.

That is signed on behalf of the board of governors by John A. Valens, M.D., chairman, and John Ryan, secretary. At Saskatoon we have the University of Saskatchewan, which imports alcohol for experimental purposes in its laboratory. The hospital authorities have sent me a copy of an invoice of a barrel of alcohol. It reads:

Purity Distilling Co.
Division of
U.S. Industrial Alcohol Co.,
915-955 Cambridge St., East Cambridge, Mass.

1 barrel ethyl alcohol, serial No. 138343—proof 190—48.10 gallons at .80	$ 38.48
Duty paid in Saskatoon, 62 O.P. gallons at $3	186.00
7½ per cent war tax on $38.48	2.85
Freight from Boston	5.57
Delivery charges	.50
	$233.40

Price laid down in hospital,	
48.10 wine gallons	$ 4.85
38.48 imperial gallons	6.07
Best price we could obtain from Winnipeg, imperial gallon	6.75
Price to University of Saskatchewan is:	
48.10 gallons at 80c	$ 38.48
Freight	5.57
Delivery charges	.50
	$44.55

The charge to the hospital is $6.07 per gallon, and the charge to the University $1.16, or an excessive charge of $4.91. The hospital doctors point out to me that, while the Dominion Government sells to hospitals methylated spirits at 50 cents, yet the hospitals do not care to use them, they say that the injurious effect on the sight should be sufficient to debar their use in any hospital. I wish the minister would ascertain if it is possible to devise means by which the public hospital of Saskatoon, which is carried on at a very considerable loss each year—particularly during the war when a good many soldiers have to be treated, the allowance for soldiers, being very small—could get some relief. Could arrangements be made under which public hospitals might import alcohol duty free, for their own purposes?

Mr. REID: I will take this matter up with the Minister of Inland Revenue, and see if anything can be done.

Mr. BUREAU: As the minister proposes to let this item stand for further information, could he ascertain how many inspectors there are in the Customs Department, and how many other officers are employed on inspection?

Mr. REID: I will give the hon. gentleman that information when the item is before us again, because I shall have a detailed list before me of all the officers in each port and of the different inspectors for each province.

Mr. BUREAU: "Different" inspectors for each province?

Mr. REID: Yes. In the province of Quebec they have three inspectors and three assistants. I will have a full list of these officers, and will be able to give the information.

Mr. BUREAU: I should like to know more particularly as to the other officers of inspection. Who are the officers who go on inspection other than the regular inspectors, and their assistants?

Mr. REID: I will have the information for the hon. gentleman.

Item stands.

[Mr. McCraney.]

Department of Public Works—to provide for an increase in the salary of the assistant chief architect to $4,000, $700.

Mr. REID: According to the Civil Service Act the present salary for this position is $3,300. This vote is to attach to the position a salary of $4,000. There is not any Assistant Chief Architect at the present time. I have no idea who is to fill the position; that will be dealt with by the future Minister of Public Works.

Mr. BUREAU: Why is the increase asked for?

Mr. REID: These Estimates were prepared by the late Minister of Public Works (Mr. Rogers), who intended filling the position. I do not know why he has not filled it; perhaps he could not get a good man.

Mr. BUREAU: How long has the position been vacant?

Mr. REID: About two years and a half.

Mr. BUREAU: In view of the fact that we have to pay $700,000,000 to the Canadian Northern, to say nothing of our war expenditure; and in view of the fact that the department has got along during the last couple of years without an Assistant Chief Architect, I think we could well dispense with this item of $700. Having regard to the strenuous times through which we are passing, I do not see how the acting minister can justify this vote for increasing the salary attaching to a position which has not been filled during the last two and a half years. Public works are not now being carried on very rapidly; the Government is tightening every string and advising the people to tighten their belts to help carry on the war. I repeat that this item might well be struck out.

Mr. REID: I promise the hon. gentleman that I will not fill it while I am Acting Minister of Public Works.

Mr. MURPHY: Who was the last Assistant Chief Architect?

Mr. REID: Mr. R. C. Wright, a good man. If I were filling the position, I would give it to him.

Mr. MURPHY: Why is he not there now?

Mr. REID: He resigned.

Mr. MURPHY: I would not have made any observations about this item were it not for the explanation, given by the hon. minister in reply to the inquiry of the member for Three Rivers (Mr. Bureau), that this item was prepared by the late Minister of

Public Works. Anything that is not quite regular and that is attributed to the late Minister of Public Works will, I think, bear some looking into. Here is a position that has been vacant for over two years, as the member for Three Rivers has pointed out, the work of the Department of Public Works has been curtailed since the war; and there is certainly no immediate prospect of the work of that department being suddenly enlarged. In the face of these facts, it is proposed not only to continue a position which has not been filled for over two years, but to provide for an increase of $700 in the salary attached to that position. I do not think the hon. gentleman can justify that before this committee. I entirely concur with the suggestion of the member for Three Rivers that this amount should be struck out.

Mr. REID: I have obtained information from the deputy minister that will, perhaps, explain this matter a little more fully. Mr. Wright was filling this position at the time the former Minister of Public Works took charge of the department. As I have said, he was a good man, and the minister appreciated his services. Mr. Wright severed his connection with the Public Works Department of his own free will to take a position with a firm in Montreal. Subsequently he came back to the department and asked for a position, and the late minister so valued his services that he gave him an appointment as superintendent of Postal Station A in Toronto. When he left the department Mr. Wright was receiving $3,900; if he had remained in the position he would now be receiving $4,000, the maximum of his class. The late minister was anxious to get Mr. Wright back to Ottawa again, and the only way he could do it was by paying him the salary to which he was entitled and which he would be getting if he had not left the position. The $700 was put in in order that Mr. Wright might be brought back to Ottawa where his services are required. There is nothing to hide in the matter. Mr. Wright was an appointee of the late Government, but he attended to his work and his services were valued. If we struck out this item Mr. Wright could not be brought back to Ottawa to take up the duties of this position.

Mr. MURPHY: Do I understand the hon. gentleman to say that it is his intention to bring Mr. Wright back and to reappoint him at this salary?

Mr. REID: I said that that was the intention of the late Minister of Public Works. That is what the vote is there for.

Mr. MURPHY: I am asking if it is the hon. gentleman's intention to do that.

Mr. REID: As far as I am concerned, I am not filling any positions in the Public Works Department unless they simply have to be filled. Mr. Wright will have to remain where he is until a new Minister of Public Works is appointed, who will deal with this matter as he sees fit.

Mr. MURPHY: If that is the case, you do not need this vote?

Mr. REID: If Mr. Wright should be brought back it is only fair that this item should be passed, so that the new Minister of Public Works, whoever he may be, can deal with the matter.

Mr. MURPHY: He may never have heard of Mr. Wright, or may have no intention of appointing him. If, as the minister alleges, this item is in the Estimates because it was the intention of the late Minister of Public Works to re-appoint Mr. Wright, I want to know if the minister is going to re-appoint him. What salary is he receiving?

Mr. REID: Three thousand six hundred dollars.

Mr. BUREAU: If the minister says that this amount is intended for Mr. Wright, and that Mr. Wright will get it—we are all satisfied that he is a good man, and that $4,000 would hardly be paying him enough—I have no objection, but I want an assurance from the minister that this money will be paid to a good man like Mr. Wright.

Mr. REID: I have given all the assurance I can.

Mr. BUREAU: No assurances at all.

Mr. MURPHY: The hon. gentleman must recognize that he has given the committee no assurances at all, but rather thrown out a suggestion as to what may be done—which he has made plain he has no intention of doing. If the minister wants to be fair, if it is really his intention to give this salary to Mr. Wright, let him say so, and the item can go through. If not, the item will be passed under false pretences.

Mr. REID: I do not think I can say anything more. The late Minister of Public Works put the item in, so that he could bring back Mr. Wright from Toronto to this position in Ottawa. Mr. Wright is a very valuable official, but if the hon. member thinks that Mr. Wright may be deprived of this money, if he will move that the item be struck out, I will not object.

Mr. BUREAU: That is not putting the case fairly. This position has been vacant for two and a half years, and the minister says that so long as he is Acting Minister of Public Works—which, for this country's sake, I hope will not be long—he will not fill this position. It looks to me as if the minister was quibbling. If he is going to appoint Mr. Wright let him do so and pay him $4,000. Mr. Wright deserves that amount, and the country will be the gainer by it. But if the minister tries to get the additional vote for $700 through the House by saying that he does not know who the new Minister of Public Works will be, I object to the item passing in that way. For the good of the Public Works Department, Mr. Wright ought to be appointed to this position. The minister should not be taking any risk in saying that he will see Mr. Wright gets this money if the vote is passed. The only conclusion we can come to, from his not giving us that assurance, is that he has no intention of appointing Mr. Wright.

Mr. REID: The item was put in the Estimates by the late Minister of Public Works, with the intention of bringing Mr. Wright back to Ottawa. I am merely acting temporarily until some new minister is appointed. That new minister may say that he prefers leaving Mr. Wright where he is.

Mr. GRAHAM: Have you any idea who the new minister will be? We might then be able to judge whether he would appoint Mr. Wright.

Mr. REID: I am sure it will not be the hon. member, because he is on the wrong side of the House.

Mr. GRAHAM: Not necessarily, judging by the events of the past few weeks.

Mr. REID: I think those events show that the hon. member will be on that side for some time to come. If he feels there is any danger of Mr. Wright not getting this money I have no objection to having the item struck out, if he will move accordingly.

Mr. NESBITT: If the minister is going to be Acting Minister of Public Works for only a short time, it seems to me only reasonable that this matter should be left to the incoming minister, who will no doubt take into consideration what was intended by the outgoing minister. I do not know whether Mr. Wright will be appointed or not, but if this salary is required to get a proper man to fill the position, I would pass the item.

Mr. BUREAU: The minister knows what the intention of the former minister was. There must be some correspondence between the department and Mr. Wright. The minister can easily find out from his deputy whether any negotiations have been going on, how far they have gone, and whether or not Mr. Wright has agreed to accept. Has Mr. Wright agreed to come back if this $4,000 is voted?

Mr. REID: The late Minister of Public Works valued Mr. Wright's services and found him, as I have always found him, willing to go any place or to do anything in connection with the work of the department that the minister wished him to do.

Mr. BUREAU: That is not answering my question.

Mr. REID: This item was put in the Estimates by the late Minister of Public Works for the purpose of bringing Mr. Wright back to Ottawa, Mr. Wright being agreeable to coming if the minister desired. My hon. friend must see that the new minister might decide not to fill this position until the war is over, and in the meantime leave Mr. Wright where he is. On the other hand he may decide to bring Mr. Wright back to Ottawa, and then we should require this vote. Or he might desire the services of Mr. Wright at some other point at a larger salary. I cannot commit the new minister any further than that. I am not going to fill the position, but am leaving it to the new minister. I think under the circumstances this item should go through.

Mr. MACDONALD: Is there any necessity for filling a position in the Public Works Department which has been vacant for the last two and a half years? We are told by the Government that they are not putting up any new public buildings this year. Consequently, no new architectural work will be required. If the Government really desire to economize here is an excellent opportunity.

Mr. REID: The deputy minister tells me that Mr. Wright has been recommended to the Civil Service Commission for this appointment. The matter has also been before the Treasury Board, so that Mr. Wright could be appointed. But I repeat I do not want to waste any time on it, and if there is any objection to it I will strike it out.

Public works—chargeable to capital. Public buildings—Ottawa eastern departmental block—new fireproof roof, etc., revote, $125,000.

Mr. REID: This money is to be applied towards the fireproofing of the old portion

of the East Block and re-arrangement of the offices on the top floor, including a new elevator at the stair-well entrance to the south wing. The estimated cost of the new fireproof roof, etc., is as follows:

Secretary of State Department, new roof and office layout	$ 69,000.00
Elevator	6,000.00
Remainder of roof	163,000.00
Total	$238,000.00
Deduct:—	
Revote applied for in Supplementary Estimates, 1917-18	$125,000.00
Additional amount required	113,000.00
Appropriation for 1916-17—addition	$ 17,000.00
Appropriation for 1916-17—new fireproof roof, etc.	240,000.00
Total	$257,000.00
Deduct:—	
Expenditure re pay lists, materials, etc., for alterations to drainage, plumbing, renewing galvanized roof over boiler room, etc.	$ 11,025.00
Amount lapsed 1st April, 1917	120,975.00
	$132,000.00
Revote required for use in 1917-18	$125,000.00

The fireproofing and alterations to part of the southeast corner of the top floor, including a new elevator at the stair-well entrance to south wing, were recommended by the Postmaster General (Mr. Blondin).

Mr. MURPHY: Have tenders been called and has the work been started?

Mr. REID: No, it is not proceeding, and no tenders have yet been called for.

Mr. PUGSLEY: I think this item might well be allowed to stand over. The only recommendation for it is the recommendation of the Postmaster General, and he is not now an occupant of the East Block. The Finance Department does not recommend it; the Minister of Justice has not applied for it; the Privy Council have not applied for it. There are a great many officials there, and it seems extraordinary that the work should be done now on the recommendation of the Postmaster General. It is not urgently required, and I do not think the item should pass.

Mr. REID: It is a fact that the work was not proceeded with last year, and it may not be proceeded with this year.

Mr. PUGSLEY: I think it would be better to strike it out.

Mr. REID: I do not feel it would be well to do so. It will be necessary to go ahead with this work some time. The East Block is really a fire-trap. Within the past two or three weeks there was an alarm of fire there. If any accident happened, we would not have the slightest hope of saving the place. It is absolutely necessary to do this work, as soon as we can reach it, and I do not think there should be any objection to passing the item.

Mr. PUGSLEY: If anything happens the Government would not hesitate for a single moment to obtain a Governor General's warrant. This Government never hesitates to do that on the slightest provocation. Does it not seem absurd that this work, which is not urgently required, should be asked for at this time, when the Minister of Finance really looks weary as a result of the tremendous burdens imposed upon him in looking around for money? Is it fair to throw further burdens upon him? Nothing has been done in connection with this work for a couple of years, and latterly we have gone to very large expense in the East Block, fitting up splendid vaults and making great improvements for the Finance Department. The offices of my hon. and gallant friend (Mr. Blondin) are not in the East Block; they are in the Langevin Block. The other ministers do not seem to require an additional elevator. Two elevators are apparently sufficient for them. As was stated to-day so forcibly by my hon. friend from Pictou (Mr. Macdonald), now is the time when even in small matters the Government should show some economy.

Sir THOMAS WHITE: Economy in everything except in connection with dredging in Courtenay bay.

Mr. PUGSLEY: We do not get very far with the dredging.

Mr. REID: I would not like to take the responsibility of striking out this item. The money is being voted to make the building fire-proof. This question was brought up during the time my hon. friend from Russell (Mr. Murphy) was Secretary of State.

Mr. MURPHY: That is so.

Mr. GERMAN: Will that amount of money be sufficient to make the building fireproof? My opinion is it will not cover more than one-quarter of the cost.

Mr. REID: Those are the figures supplied by the architects, and I have full confidence in them.

Mr. MACDONALD: Is the building any less fireproof this year than it has been for the last fifty years?

Mr. REID: No, it is not, but there have been times when it was in danger of fire. I was going to say to the hon. member for St. John (Mr. Pugsley) that I would like the committee to let this item pass, so that I might move that the committee rise and report progress. I want to go on with another Bill which is on the Order Paper, in regard to which we have been waiting for the hon. member from St. John.

Mr. PUGSLEY: Which Bill is that?

Sir THOMAS WHITE: The Canadian Northern Railway Bill.

Mr. PUGSLEY: I understood it was to stand over until to-morrow.

Sir THOMAS WHITE: No. We have been waiting for my hon. friend.

Mr. REID: If the hon. gentleman wishes to let it stand, I am willing to let it stand. Is there any objection to letting it go through to-night?

Mr. MACDONALD: My hon. friend has made no case for the passing of the item. He is asking us to take this money which has been raised by taxation, divert it from the war and use it to make some repairs upon a building which has been in existence for many years, on the ground that the Postmaster General would like to see those repairs made.

Mr. REID: That was not the reason at all. The hon. gentleman (Mr. Blondin) was Secretary of State at the time, and he recommended that this work should be done. I am quite satisfied the work is necessary, and my hon. friend from Russell (Mr. Murphy), who at one time occupied the office of Secretary of State, knows the danger of those buildings. I have no doubt he fully appreciates the necessity of making them fireproof. My hon. friends know that since the beginning of this war the East Block has been used more than ever for holding the most valuable securities.

Mr. PUGSLEY: But, those valuable securities are in a new part of the East Block, which is absolutely fireporof.

Progress reported.

CANADIAN RAILWAY SITUATION.

CANADIAN NORTHERN RAILWAY BILL—THIRD READING.

Sir THOMAS WHITE moved the third reading of Bill No. 125, providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway Company.

Mr. PUGSLEY (St. John): Mr. Speaker, I am going to invite the attention of my hon. friend the Minister of Finance (Sir Thomas White) and the House to an amendment which I desire to have made to this Bill. Before proceeding with what I may have to say, I move:

> That the Bill be not now read a third time, but that it be referred back to the Committee of the Whole with instructions that they have power to amend the same by inserting between the words "may" and "acquire" in line 1 of section 1 the words "subject to the approval by Parliament of the award hereafter provided for."

It seems to me that every one who is disposed to take a fair view of the rights of the people of this country, no matter what view he may entertain as to the undesirability of proceeding in this way, will agree that if it is determined to acquire the stock of the Canadian Northern Railway Company and to submit the question to arbitration, as proposed, before Parliament is finally committed to any payment the award of the arbitrators should be submitted to Parliament and should be approved of.

Before I proceed to present the few arguments which I intend to present to the House in favour of the amendment, I desire to say that I regret that the matter is coming up this evening, because, before recess, I rather supposed that it was to stand over until to-morrow. I know that my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier) was desirous of being present and an intimation to that effect was conveyed to the Minister of Finance (Sir Thomas White). I was informed by my hon. friend from Three Rivers (Mr. Bureau) that the matter would stand until to-morrow if there was any assurance that the debate would be likely to be finished to-morrow. I can assure my hon. friend the Minister of Finance that there is no disposition on this side of the House to prolong the discussion beyond what is absolutely necessary in order to get our views fairly before the country. There was some misapprehension on the part of the Government as to the intention of the Opposition in connection with the discussion while the Bill was in committee. I can assure you, Mr. Speaker, that there was no desire and no intention to obstruct the Bill. I will tell you why. This is, from the financial standpoint, the most important measure that this or any previous

Parliament has ever had to deal with. Taking the amount which may have to be paid under the arbitration and adding it to the liabilities which this country will assume if it takes the stock, this measure involves a sum in the vicinity of $650,000,000, an enormous burden for the people of Canada. It involves the adoption of a principle which has never been submitted to the people, and this Parliament, whose life has been prolonged by our own votes and at our own request with a view of enabling the Government to do the most effective work possible in carrying on the war, has no mandate, no authority, to commit the people to that principle. The people never dreamed that during its extended life Parliament would undertake to deal with a matter of such vast importance.

I would call your attention, Mr. Speaker, to the fact that the committee first began to consider this Bill on the 16th August and that it went out of the committee yesterday or only thirteen days from the time that it was first referred to the committee. If you bear in mind that during that time the Soldiers' Voting Bill was also considered and passed, and that a considerable portion of the Estimates was also passed, I think you will agree with me that there was no undue amount of time taken up with the consideration of this Bill. When you consider further that there were some sixty members upon this side of the House who had not had an opportunity of speaking upon the Bill, I think you will see that the view I present that there was no undue prolongation of the discussion is amply warranted. True, the closure was applied by the Minister of Finance and some bitterness was created which I think came largely from the undue desire to press the matter without having proper consideration for the rights of the minority. I think the Government would get along very much better and could greatly facilitate the carrying on of the business if they had a greater regard for the rights of the minority than they have shown in this case.

This Parliament has been in session since January last, upwards of eight months. Before the recess there was ample time to introduce this Bill and there was a great deal of time after recess to introduce it before it was actually introduced. During the three months that some members of the Government were in England, the members of the Government and of Parliament who were at home might very well have had their time occupied in the consideration of this and other important measures. But it all comes down to this, that only thirteen days elapsed from the time the Bill was put into the committee until it was reported out of the committee. However, I have no doubt whatever that, as mentioned to the Minister of Finance before recess, in one day the discussion upon the third reading would be entirely completed. I do not know if the minister wants to bring the third reading on to-night with a view to giving notice of the closure. He may decide to do so, but I think he is hardly well advised to give the country the impression that by means of the power that is vested in the majority—by the votes of the majority—they intend to force through this Bill without an opportunity for discussion. I think hon. gentlemen opposite would be very badly advised if they took that course.

Now, with regard to the amendment, I contend it is not fair to the people of this country to impose on them the obligation of paying to Mackenzie and Mann and the interests allied with them, who are the pledgees or holders of this $60,000,000 of stock, this vast sum of money without the matter again being presented to Parliament after it has been investigated by these arbitrators and without having their report, because their award would be in the nature of a report. This position is enormously strengthened by the fact that in 1914 there was a statutory agreement made between Mackenzie and Mann, the Canadian Northern Railway Company and the Government, by which statutory agreement it was provided that if Parliament would authorize the Government to grant further assistance to the extent of $45,000,000 Parliament would have the right, if it chose to do so, to authorize the Governor in Council by order, to foreclose the equity of redemption in this property.

Since that time, although the default which is provided for by that statute has occurred, this Government has given further assistance to the Canadian Northern Railway to the extent of $15,000,000. To-day, instead of the country being placed in the fairly advantageous position in which it would be placed if the provisions of the Act of 1914 were carried out, under this legislation the question is to be submitted to arbitrators, not from the standpoint of the Canadian Northern Railway Company being in default, not from the standpoint that they are obliged to sell, not from the standpoint that the country has lent them vast sums of money and aided them by guarantees and they are in default; but, I think any

gentleman acquainted with the principles which govern arbitration will say it is to be presented to these arbitrators from the most advantageous standpoint possible, so far as Mackenzie and Mann are concerned. When it comes before the arbitrators it will be presented simply from this standpoint, what is this stock worth as between the Government, which wants to buy it, and Mackenzie, Mann and Company and their associates, who are willing to sell but are not compelled to sell? That is the ordinary basis for valuation unless there are exceptional and peculiar circumstances which govern it. The true basis upon which arbitrators act is this: What is the value of the property which we are called upon to consider from the standpoint of a purchaser who is desirous of buying and from a seller who is willing to sell but is not compelled to sell? That is not putting the people of Canada in the position in which they have a right to be placed. Still, a majority in this House has decided that that is the way it should be presented to the arbitrators. It is quite possible that these arbitrators may say—I do not say they will but there will be evidence before them upon which they will be able to say—that this stock is worth par. In the data which the minister has presented to this House as reliable, and in respect of which he is the mouthpiece of this Government and is acting for the people of this country, he shows that the financial statement of this company represents a surplus of $35,000,000 or $37,000,000, after providing for all its liabilities and after providing for all its common stock to the extent of $100,000,000 of the stock of the Canadian Northern Railway Company and $5,000,000 of the stock of one or two constituent companies. That is the statement which they will present to the arbitrators; that is the argument which they will submit; and they will say, as any member of this House, if he were interested in the Canadian Northern Railway Company would say to the arbitrators: The Government wants to buy our stock; they think it is desirable in the interests of Canada that the country should own our great transcontinental system; they have provided in the Act that the country shall pay the value of that stock; and its value, Sir, is to be not what it was on the first day of January, 1917, not what it was when this Bill was presented to Parliament, not what it will be when this Bill receives the Governor's assent and becomes law, but what it will be on the day that the agreement is entered into. What will the Canadian Bank of Commerce, what will the other shrewd pledgees of this stock, what will the shrewd counsel who are advising Mackenzie and Mann, say? They will say: You must go upon the commercial value of this stock. The stock will have an increased value by reason of this very legislation. After the Act passes everybody will know that the stock of the Canadian Northern Railway Company is to be acquired by the Government. Everybody will know that, whatever its market value is, that value will have to be given by the arbitrators. It will be with the stock of the Canadian Northern Railway Company as it was with the stock of the Quebec and Saguenay railways; when the legislation of this Parliament passed, the stock rose in the stock markets all the way from 25 per cent to 50 per cent. Every gentleman in Quebec knows that. And this stock will have a greater value at the date when the agreement is signed by reason of this legislation which makes it certain that this country has determined to take over this road and operate it as a part of a government-owned system.

As I have said, we know what the liabilities are, we know what the country is bound to assume. These liabilities will run to between $500,000,000 and $600,000,000, and if we take over that stock we become liable for all these obligations. As I have said, this arbitration may place a valuation up to $60,000,000 on the stock. We do not know what its finding will be, it is entirely uncertain. This Parliament cannot know, this Government cannot know, and the people of this country cannot know; and I submit that, in view of that fact, it is only fair to the people of this country that before they are compelled to take over the road and pay the award of the arbitrators, the matter should be submitted to Parliament and Parliament should have the right to say whether or not the transaction should be completed. Evidence I presume, will be taken by these arbitrators which will be very important, and which will give valuable information to Parliament. We shall probably know just what the outstanding liabilities are. I have a telegram from a gentleman standing very high in the province of British Columbia, a gentleman who knows absolutely what he is speaking of, and he says that the Canadian Northern Railway Company have made commitments in the province of British Columbia to the amount of $25,000,000. I would give the name of that gentleman, I would show the telegram

privately to the Minister of Finance. There is no restriction upon my using it because it is not marked confidential, and yet I am not expressly authorized to read this telegram to the House. My correspondent is a man who has intimate inside knowledge of the facts of which he is speaking, and that is the information he gives me. There is a direct and absolute liability upon the part of the Canadian Northern Railway to go ahead with expenditures amounting to the enormous sum of $25,000,000 in the one province of British Columbia; and when this Government becomes the Canadian Northern Railway Company, as it will when it becomes the owner of this stock and appoints this Board of Directors, it cannot escape from the carrying out of the obligations which the present management of the Canadian Northern Railway Company have entered into.

What do we know about the obligations in the other provinces? What are the obligations in Alberta, Saskatchewan and Ontario? We do not know. If there are obligations to that extent, of which Parliament has not been informed, in British Columbia, we do not know what they may be in other places. Speaking of the arbitrators, my hon. friend the Minister of Finance said: Oh, we have Sir William Meredith representing the Government, and the people can rely on him being absolutely fair, and not allowing more than the stock is worth. But there are two other arbitrators to be appointed. How are they to be appointed? Mackenzie and Mann and the pledgees, particularly the Canadian Bank of Commerce as the principle pledgee, are to name one arbitrator. They will not consult Sir William Meredith as to whom they will nominate; he will have no voice in the choice which they will make. Then Sir William Meredith and the arbitrator who has been appointed by the Mackenzie and Mann interest are to name a third arbitrator. Sir William may be a most excellent judge, and a very able lawyer, but I do not think he would have any more ability in selecting the man who will act as a third arbitrator than any ordinary business man in this country, and I would not suppose that his judgment would be any more reliable than the judgment of the gentleman whom Mackenzie and Mann and the Canadian Bank of Commerce will appoint. I would infer—although I have no warrant for saying so—that it is pretty well cut-and-dried as to who is to be the arbitrator to be appointed by Mackenzie and Mann, and as to who is to be the third arbitrator. In this Bill you will find no provision as to what will happen if Mackenzie and Mann and the pledgees fail to agree upon an arbitrator. We find it provided that this Government may enter into an agreement to take over the stock at once, but no provision for what shall be done in case they fail to appoint that arbitrator. The Minister of Finance the other night, when I suggested that the Bill was very indefinite in this respect, said that the Arbitration Act provided for it. There is no Arbitration Act bearing upon it at all. This Bill contains within its four corners every provision so far as the arbitration is concerned, which can apply to the proceedings in this case. There is, of course, in the province of Ontario, an Arbitration Act, but that will

10 p.m.

not apply to this Bill, and my hon. friend is entirely wrong in saying that the Arbitration Act could be invoked in order to make up for the deficiency in this Bill. I do not think it should be necessary to argue at any great length that it is absolutely fair that Parliament should have the opportunity to say whether, in view of what may be the award in this case, it would feel like committing the people of this country to whatever award may be made. I am told that if, in the provinces of Alberta and Saskatchewan, a property is taken for any public work within any of the cities or towns arbitrators are appointed, and, after an award is made, the question of whether or not the council of the municipal corporation shall be permitted to take over the property at the amount of the award has to be submitted to the electors, and if they do not approve reasonable and just arrangements are made for the payment of the expenses in connection with the arbitration. That is a fair and just principle. The hon. Minister of Finance might say: " Oh, well, it might be a hardship upon Mackenzie and Mann if an arbitration were to take place and the Government and Parliament were permitted to refuse to accept the award." If there is any danger of a hardship, that could be easily got over. It could be provided in the Bill by the committee, in case the Bill is referred back by this House, that an agreement could be made by which this 600,000 share of stock could be conveyed to trustees, to be held in trust under an arrangement provided for by the agreement, and if it were necessary for the Government to make advances, as provided by section 2 of this

Bill, it might make the advances. The arbitration then goes on, and it could be provided that, unless, at the session of Parliament succeeding the award, Parliament did not approve of it, and did not authorize the Government to take the property over under the award, then all the stock would be returned to the parties entitled to it and any money which the Government might advance with interest would form a statutory lien upon the property of the Canadian Northern railway. The Government could provide that the cost to which Mackenzie and Mann and their associates had been put in connection with the matter might be paid by the Government. If it is decided to send it back to the committee for the purpose of making the change as specified in my amendment, it could be worked out so as to do no injustice to the Canadian Northern interest, but it should also leave Parliament and the people of this country free to act upon the award and free, if deemed in the public interest, to acquire the property in that way. I submit this amendment with all confidence, believing that it will commend itself to every one who is desirous of seeing the Canadian Northern taken over and made a government-owned system, and at the same time of doing what is fair towards the people of this country. We ought not to forget that it is not our money that is to be paid for this property. We are sitting here merely as trustees for the people of Canada, and we ought to give the people every reasonable opportunity of knowing what they will be called upon to pay for the property which, it is alleged, it is in the interests of the country to purchase. That opportunity will be afforded to the people if the amendment which I propose is carried into effect, and there will be no delay that will be injurious. The Government can assist the road, if it wants to, in the meantime, just in the same way as if they had taken the property over; and after the valuation placed upon the property by the arbitrator is known, if the people, with their eyes open, and Parliament acting for the people with its eyes open, decide it is not in the interest of the country to pay the award, then no one can complain But to-day, if the Bill passes unamended, without a provision such as I have asked the House to adopt, the country without being consulted, without the question having been submitted to them, without the electors at large having had an opportunity to pass judgment at all, will be committed to a transaction which, as has been stated already, will run into an enormous sum of money. I think that will be most unjust and most unfair to the public. By adopting this amendment which I suggest, no injustice will be done to anybody; the course taken will be fair to the people of Canada, who will have to foot the bill and upon whom great responsibility in connection with the purchase of this system will rest.

Sir ROBERT BORDEN: Mr. Speaker, the member for St. John (Mr. Pugsley) labours under a great many misapprehensions about the measure now under consideration. Among other things, he is suffering from a very serious misapprehension as to the length of time during which the Bill has been before Parliament. On the first day of August, just four weeks ago to-day, notice was given of the resolution upon which this Bill was founded, and considerable discussion took place. The Bill has on many occasions since that time been under consideration, and my hon. friend will admit that whatever may be said about other members of the House, there has not been any lack of opportunity on his part to discuss the Bill very thoroughly and on all occasions. He very suavely informs us that there was never any intention on the part of hon. gentlemen on the other side of the House to obstruct the measure. I think he is in a position to speak in that respect for a good many hon. members on the other side, but not for himself. My hon. friend seems to be under another extraordinary misapprehension. He observes that this Bill ought to have been introduced before the recess which began early in February and continued, I think, until April 19. Does the hon. gentleman know that during that period the Commission which had been appointed to investigate the whole railway situation was continuing its deliberations, and that the report of that Commission was not presented to the Government, until sometime in April? The astonishing suggestion of my hon. friend is that, while a number of eminent gentlemen who had been appointed by the Government to make this investigation were still continuing their inquiries, the Government should have come before Parliament and introduced this Bill.

My hon. friend makes reference to various supposed occurrences of an unfortunate character, in his estimation, which will take place if an arbitration is proceeded with. May I call his attention to the fact that he evidently overlooked those possibili-

ties when he himself, in 1914 and again in 1916, strongly urged on this House that the property should be acquired through the acquisition of the stock and that the value of the stock should be determined by arbitration?

Mr. PUGSLEY: I dislike to interrupt my right hon. friend, but he is entirely in error when he says that I strongly urged upon the House the desirability of taking over the property by arbitration. What I did say in 1914 was this: I urged that as a condition of guaranteeing the $45,000,000, the stock should be reduced to $30,000,000 and placed in trust for a period of five years so that if there was default the Government could at once take control of the property. If, on the other hand, the company pulled through for five years, then Parliament would have the right, if it chose to do so, to take the property at a valuation not exceeding $30,000,000. That is a very different thing.

Sir ROBERT BORDEN: That is only another of the remarkable misapprehensions under which my hon. friend is labouring in regard to this Bill. I am really at a loss to account for them. On the second day of June, 1914, as I have already pointed out to this House, my hon. friend seconded this resolution and spoke strongly in favour of it:

> That the said Bill be not now read a third time, but that it be resolved that under existing circumstances no assistance should be given to the Canadian Northern Railway company unless at the same time it is provided that the Government have power, within a reasonable time to acquire the ownership of the entire stock of the company at a price to be fixed by arbitration, but not to exceed thirty million dollars.

Mr. PUGSLEY: If my right hon. friend will pardon my interrupting him again, may I ask him if he has read the resolution that I myself moved a short time before that?

Sir ROBERT BORDEN: I am reading the resolution which the hon. gentleman seconded and in support of which he spoke very strongly. I have not the slightest objection to any interruption that my hon. friend may see fit to make; in fact, the more he interrupts me, the better I am pleased. There is his proposal; it was moved by his leader and supported by him in a strong speech. I reminded him on the 14th day of August of what he had said in support of that resolution, but I will venture to trespass upon the time of the House by reading his remarks again, not so much for the benefit of the House—as, I imagine, every other hon. gentleman remembers it—as for the benefit of my hon. friend himself, who seems to have forgotten it. Here is what he said:

> My right hon. friend (Sir Wilfrid Laurier) moves as an amendment that as a condition of granting this aid the Government shall be allowed to take control of this stock and control of the enterprise until it is completed, and that the country shall have leave to take over the entire stock of the Canadian Northern railway within a reasonable time at a price to be fixed by arbitration but not to exceed the sum of $30,000,000. Is not that a reasonable proposition? Is not that a proposition which is fair to the people of this country who are called upon to assume this enormous liability? Is it not fair to Mackenzie, Mann and Company who are asking this country, for the fourth time, to help to complete this enterprise? It is fair to Mackenzie, Mann & Company, and it is a fair and reasonable proposition on behalf of the people of this country.

My hon. friend has forgotten to-day what he said in 1914, but when we came to Parliament with a proposal on this subject in 1916, my hon. friend had a most vivid memory of what he had proposed in 1914, referred to it in terms of appreciation and commendation, and said that he was prepared to stand for the same thing at that time. He will agree that under the circumstances the extraordinary misunderstandings under which he seems to labour with regard to the proposal now before the House must detract from the authority which his words on ordinary occasions command in this House.

I shall take up in a moment the real point of my hon. friend's amendment. But first I should like to observe in that connection that if it is so obvious a proposition as he has described it, it is a remarkable thing that it never occurred to him either in 1914 or in 1916. But it is a still more astonishing thing that during all the time this proposal has been before Parliament during the present session it never occurred to him until the moment when he arose to address the House half an hour ago.

What is our proposal? Our proposal is that we should appoint a Board of Arbitrators precisely in accordance with the method which he himself proposed in 1914 in the motion which I have read—according to the mode which in 1916 he declared to be eminently in the public interest. But he now proposes that after appointing a Board of Arbitrators to make an award which shall be subject to an appeal to the Supreme Court of Canada, and after the Board of Arbitrators and the Supreme Court of Canada have

spent months in determining a question of very considerable complexity, we in this Parliament, by some means which he has not defined, shall sit in further appeal, not only from the arbitrators, but from the Supreme Court of Canada itself. I do not know quite what he means in that regard. Does he mean that there is to be a real adjudication by this Parliament sitting as a judicial tribunal? If he means that seriously, how does he propose to work it out? Does he propose, after this matter has been gone into before the arbitrators upon evidence and with counsel, that we shall take their award here in Parliament, appoint a committee of Parliament, and traverse the exact ground that has been traversed by the tribunal which this Parliament has created for that purpose? Does he mean to say that any committee of this House would deal with this matter in the same businesslike and effective way that a Board of Arbitrators would deal with it? If he means a mere mock inquiry by Parliament into these matters, that is one thing. His proposition dismisses itself in the statement I have made, if that is his proposal. If on the other hand, he means that there is to be a committee of this House to do the work which the Board of Arbitration and the Supreme Court of Canada will already have performed under this Bill, then I venture to say that the work need not be done twice. His proposal in that case should be that a committee of Parliament ought to deal with the matter in the first instance, and that we should have no reference to arbitrators or to the Supreme Court of Canada, but have a committee selected from both sides of this House sit for months and hear evidence and the testimony of expert witnesses—go into all the intricacies of this question and arrive at a conclusion. Is there any hon. gentleman in this House who believes that such work and the determination which it involves could be done as effectively by a committee of this Parliament as by a board of arbitrators? I venture to say there is not a single one—not even excepting the hon. member (Mr. Pugsley) himself—who believes for one moment that such would be the case.

Let us have either the one or the other. If we are to have an inquiry by arbitrators, let us get arbitrators appointed whose award will be respected. If there is any doubt about the award, let us, as this Bill proposes, have the award inquired into by the Supreme Court of Canada. Let us not embark upon the absolute foolishness, in my judgment, of having that done by the Board of Arbitrators in the first instance, by the Supreme Court of Canada in the second instance. and then set up a tribunal in this Parliament and do it for many weary months in the third instance.

Mr. PUGSLEY: If the award was unanimous it would not go to the Supreme Court.

Sir ROBERT BORDEN: Very good, I am willing to meet my hon. friend on that ground. I say that after a board of arbitrators—the arbitrator for the company, the arbitrator for the Government, and the third arbitrator—have made a thorough and exhaustive inquiry into the questions which arise in this matter, my hon. friend would hardly be prepared to stand in his place and say that we ought to embark on the same inquiry before a committee of this House. Upon what ground does he base any such proposal? He has given no reason in favour of it.

We might have left the proposal he has submitted to-night to the judgment of the House without any answer to his address on the subject, because he has not advanced one substantial argument from first to last; and if there is anything that could be called a vestige of argument in what he has proposed in support of his amendment, I am prepared to show that on repeated occasions in the past he has thought no such proposal worthy of consideration for a moment.

There is this further to be said about his proposal, that it would render the Bill absolutely unworkable, as I understand it. Section 1 as amended by my hon. friend would leave everything in the air; it would practically declare that the stock was not to be immediately acquired in an absolute way. But section 2 declares that it may be so immediately acquired. His proposal conflicts also with section 3. He saw that, and in the course of his remarks he proposed some elaborate and complex amendments by which the people of this country were to provide money for aiding this road in the event of Parliament eventually determining that the road ought not to be taken over at the price fixed. What would that amount to? Simply this: The Government of Canada would ask Parliament to vote $20,000,000 or $25,000,000 out of the public exchequer for the purpose of keeping this concern alive—for, if Parliament should not approve of the award, my hon. friend says the stock is to be handed back. Now what is the net result of that? In the

first place, it leaves the whole problem absolutely unsolved. We want to get this matter closed up and to have some policy determined upon in the interest of the people by which these applications for aid shall not come to Parliament any more. We practically said that to Parliament a year ago; I am inclined to think we said it in 1914. But whether we said it in 1914 or in 1916, we say it now. We say that the time has come when money ought not to be provided out of the public exchequer for the purpose of keeping this concern alive. And therefore, on that ground I reject the proposal of my hon. friend, because it simply means, as I have already said, that the public treasury of this country would be drawn upon to the extent of $20,000,000 or $25,000,000 for an undertaking three-fifths of the stock of which, amounting to $60,000,000, would still be vested in private ownership.

There is another thing I should like to call to the attention of the House in connection with my hon. friend's proposal. I cannot understand his proposal as anything other than an attack upon state ownership. He has already said that he does not believe the country ought to acquire this road until after a general election and until after the people of Canada have passed upon the proposal. I might observe in passing that my hon. friend was not troubled with any scruple of this kind in 1914, or in 1916, when he supported and advocated proposals looking to the immediate acquisition of this road through the acquisition of the stock. The Minister of Finance has already pointed out with great force that there are only three alternatives so far as this road is concerned. One is liquidation, of which I will speak a little later,—for the present, I need only say that the proposal of liquidation has been rejected by every prominent member on both sides of the House who has spoken on this subject; and although my hon. friend from South Renfrew (Mr. Graham) read some public statement the other day advocating the placing of the road in liquidation, I observed that he was careful not to commit himself to any defence of that proposition. The other two alternatives are ownership by the State and ownership by some other greet railway corporation in Canada. There is only one other railway corporation in Canada that would be capable of dealing with so large an undertaking as that which is now under consideration by this House. It, therefore, practically comes down to this: shall the Canadian Northern railway pass into the ownership of the people of Canada, or shall it pass into the ownership of the Canadian Pacific Railway company? I am not here to attack the Canadian Pacific Railway company; I fully acknowledge and appreciate the great service which it has rendered, the great service which it is now rendering, and the greater service which it may render in the future to the people of this country; but I have no hesitation whatever in saying that in my opinion, and I think in the opinion of the people of Canada, between those two alternatives, the road ought to pass into the ownership of the people of Canada, and not into the ownership of the Canadian Pacific Railway corporation.

If the road is to pass into the ownership of the people of Canada, as the only one of the three alternatives which is in the public interest, what is to be the method of its acquisition? We have made a very plain and simple proposal to this House. This proposal has been attacked as to method, rather than as to principle. The chief attack which has been made upon it is that the Government ought to acquire the ownership of the physical assets of the road, and ought not to acquire the balance of the common stock. It is said we should do that by utilizing the legislation of 1914. I have pointed out, and it has been repeatedly pointed out by hon. members on this side of the House, that if the Government utilized the legislation of 1914, it would be absolutely impossible, unless we desired to wreck the credit of this country, to proceed on any other principle than that which is embodied in this Bill. That is to say, if the persons who own the equity of redemption in the Canadian Northern railway and its subsidiary companies claim with any show of reason at all that there is some value in that equity of redemption, it would be impossible for this Parliament, for this Government, or for any other Parliament or any other government having due regard for the public interest, to deny to the persons raising that claim the right to be heard as to the merits of their claim before some properly constituted tribunal. If you depart from that principle, you might just as well bring into Parliament a Bill which would authorize expropriation of the property of any citizen, or firm, or company in this country, without compensation, or with one-half or one-tenth of the compensation that might be found by any court as the value of such property taken by the Crown for public purposes. It is impossible to do it. It is absolutely im-

possible to deny the right to be heard to any man whose property is taken and who makes a reasonable claim that it has some value. Therefore, I say, under the Act of 1914, if the owners of the equity of redemption were able to show—as I think they have shown—that there is some reasonable claim for some value in the property over and above the encumbrances, we ought not to deny them the right to be heard. It is an elementary principle of common justice embodied in all the provisions of the British Constitution that no man shall have his property taken from him, his rights taken away, or his liberty interfered with, unless he shall have had the opportunity of being heard before a competent tribunal in respect of his claim. Therefore, the principle upon which this Bill is founded is precisely the same as the principle upon which any government would have been obliged to proceed in acquiring this property under the Act of 1914. We prefer this method, for a very good reason which has been explained over and over again—for the reason that by acquiring the stock, although acting upon the same principle which we would have been obliged to follow if we had acquired the physical assets themselves, we do not disturb the corporate entity; we do not interfere with the organization of the road; we do not interfere with its efficiency: we do not interfere with the service which the railway is at present rendering to the people of Canada. And, more than that, instead of bringing the road under the direct administration of a department of the Government, we have its administration carried on by the same corporate machinery which has been employed for the purpose for many years past. I cannot see any fault or any fallacy in that reasoning. We are acquiring absolute control of the road and absolute ownership of the road to as full an extent as if we had acquired the physical assets. We are doing that by the acquisition of the stock, so as to prevent any interruption of the service of the road, or any impairment of its efficiency, and to keep its staff and its organization together, to prevent it from being brought under the direct administration of the Government, and to enable the system of administration which has carried on its work in the past to carry it on in the same way in the future.

There has been some criticism as to the method of arbitration. It is said we should have referred the question to the Judge of the Exchequer Court. No one has a higher respect than I have for the Judge of the Exchequer Court; but I would like to point out the authority upon which we based our action and the reasons which led us to the conclusion embodied in this Bill. The method of arbitration has the authority of the Drayton-Acworth report which it pleased some of my hon. friends on the other side of the House to commend most highly, and which I do not pretend for a moment to criticise. Let it be remembered, that report made two recommendations, first, that the country should acquire the Canadian Northern railway, not by the acquisition of its physical properties, but by the acquisition of its stock. The report said something more than that. It declared that the compensation, if any, to the holders of the stock should be determined by arbitration. That is the proposal which the Government has embodied in this Bill and which is now before this House for decision. The only difference between what we propose here and what Sir Henry Drayton and Mr. Acworth propose is this: Under the Drayton-Acworth report the holders of the stock were to be compensated by an allowance in stock. The amount of the allowance was to be determined by arbitration. One of the arbitrators was to be appointed by the trustees representing the Government, one by the Canadian Northern railway shareholders, and the third by the two arbitrators so appointed, or, failing an agreement, the third arbitrator was to be appointed by the senior judge of the Exchequer Court. One significant sentence was added which I will give to the hon. gentleman (Mr. Pugsley) for his consideration. The Drayton-Acworth report recommended that an arbitration tribunal should be established for the purpose of making an award between the Government of Canada and the shareholders of the Canadian Northern, but it did not propose any reservation of the right of this Parliament to determine whether or not the award made by that tribunal should be accepted. No, the Drayton-Acworth report adds this significant sentence to its recommendation: "The decision of the board should be final." We say here, for the same reason, and practically under the very same conditions, that the decision of the board appointed under this Bill should also be final, subject to an appeal to the Supreme Court of Canada if the award should not be unanimous. If the decision was to be final with respect to the compensation in common stock, what reason can be urged for the argument that

it should not be final if it is to be paid in money? We do diverge from the Drayton-Acworth report in one respect. We say that the whole of the stock should be owned by the people of Canada, and if there is any value whatever in the stock owned by Mackenzie and Mann, that value should be paid in money and not by an allowance in stock. We think that the people of Canada should be the sole shareholders of this concern, and that the question as to any value in the stock should be determined by an award of arbitrators and that award should be final.

But if the hon. member for St. John is not satisfied with the authority of the Drayton-Acworth report, he may be satisfied with an authority which I am sure he will regard as equally high and that is the resolution which he seconded and to which I have just alluded. I will not trouble the House to read that resolution again. But let me point out just what that resolution did advocate. First, the Government was to acquire, not the physical property, but the stock. That was my hon. friend's resolution in 1914. That was his declaration in 1916. Second, the resolution declared that the stock was to be acquired at a price to be fixed by arbitration. Third, the price so fixed by arbitration was not to be subject to the approval of Parliament. He declares now that the price fixed by arbitration must be subject to the approval of Parliament. Why is it that the approval of Parliament is in the estimation of my hon. friend, necessary now, whereas it was not necessary, according to the view that he took in 1914 and again in 1916? Why was it reasonable and proper in 1914 to propose to acquire the stock, to fix the price by arbitration and to make the determination of the rbitrators final, if to-day the acquisition of the stock is an improper course, if to-day a reference to arbitration is undesirable, and if to-day the determination of the arbitrators is not to be final? My hon. friend answered himself by anticipation in 1914 and again in 1916. His attention having been directed to his own opinion, frequently expressed, in approval of the course which the Government now proposes to pursue, it might reasonably be supposed that the hon. gentleman would at least have thought it worth while when he was addressing this House to indicate some reason, if any exists, why his views to-day differ so materially from those which he entertained in 1914 and again only a year ago.

I think I have pretty fully answered what my hon. friend has said in the way of argument in support of his amendment. But there are just one or two other matters upon which I may say a word to the House. Questions have been raised as to the information in the possession of the Government. A public statement was read by the hon. member for South Renfrew (Mr. Graham) a day or two ago, and although an answer has been given by the Minister of Finance, I think it worth while to make the members of this House and the people of this country generally understand what the real situation is in that regard. In the first place, even if the charge that the Government had not sufficient information to enable it to fix the price were true, it would have little relevancy, for the whole matter is to be threshed out before the arbitrators. The Government is not fixing the value of this stock. If we were fixing the value, and if information were lacking, the Government would be open to charge and worthy of censure. But the Government is not proposing to do anything of the kind, the Government is proposing to leave this question to be determined by a fair, capable and impartial board of arbitration; and if any information were lacking to the Government as to assets or liabilities, all that information can be supplied, and must be supplied, in the presence of the board of arbitrators. Thus, the argument is meaningless, is it not?

But, I have to say that the Government is in possession of full, complete and absolute information as to the assets and liabilities of this road, and I will endeavour to impress that upon the House and the country as earnestly and as forcibly as I can. In the first place, there has been an examination and audit of expenditure during the construction of the road by Government engineers and that information, available in their reports, is at the command of the Government and has been analysed. In the second place, when we came to Parliament in 1914 with our proposal for enabling the road to be completed, we selected the three best men we could find in the public service for the purpose — Mr. Graham A. Bell, Financial Comptroller of the Department of Railways and Canals; Mr. Saunders, an exceedingly capable officer in the Department of Finance; and Mr. Shannon, Comptroller of the Intercolonial railway—and sent them to make a complete examination into the affairs of this road. They made it and they submitted a report in writing. That report was sub-

mitted to the Government and, if I remember correctly, it was laid on the Table of the House at that time. In the next place, pursuing the policy which was laid down in 1914, we had the most capable man at our command for the purpose, Mr. Graham A. Bell, maintain a continuous audit of this road from 1914 to 1916. He is thoroughly familiar with all the affairs of the road, with its assets, with its liabilities, with every detail of its operation. In the next place, in 1916, when the very great burden of duties imposed upon Mr. Graham A. Bell rendered it impossible for him to continue that work, we took one of the most capable firm of auditors we could find in Canada, the firm of Marwick, Mitchell, Peat & Company, and directed them to continue the work which Mr. Bell had carried out from 1914 to 1916, and so from 1916, when that firm undertook the work, up to the present time, there has been a continuous audit of the affairs of the Canadian Northern Railway company by that firm and continuous reports from month to month by them to Mr. Bell. But that is not all. We then had the elaborate investigation made by the commission of which Mr. Smith of New York was chairman—the commission which was composed of Mr. Smith, Sir Henry Drayton and Mr. Acworth. Hon. gentlemen in this House know the vast amount of information with regard to this road contained in that report. We know that it embraced among other things, a physical valuation of the road made by one of the greatest experts in the world, probably the greatest expert for the purpose known on this continent; and then, in addition to that, there is available to the Government, if it should desire to use it, the elaborate investigation by New York experts, occupying months I believe, made by Mr. Loomis and Mr. Platten. Mr. Loomis is president of the Lehigh Valley Railway company, and Mr. Platten is president of one of the greatest trust companies in New York. So, taking all this together, is it reasonable or fair to say that the Government has not very full and complete information, not only as to the assets and liabilities of the company, but as to the most minute details of all its affairs?

A suggestion has been made outside of this House that the proper method of dealing with this road would be to put it into liquidation. There has not been any serious argument raised on either side of the House that would lead us to believe that that is a wise or reasonable course.

[Sir Robert Borden.]

Hon. gentlemen will remember that in 1916 we found this situation: There was the parent company, the Canadian Northern Railway company, and there were five subsidiary companies. There is also a subsidiary road in Nova Scotia. We brought them together, under the Act of 1914, with a view to making this one complete system and rendering its service more efficient than it otherwise would be. The portions of the physical property of the Canadian Northern Railway system which are owned by these different companies are situated in different provinces. These different roads have been separately financed; there are different mortgages, there are different trust deeds. Suppose this road should go into liquidation, what would be the situation? The result would be that we should undo all the work we accomplished in 1914, when we brought all these roads into one effective system. If these roads should go into liquidation, what kind of situation would arise? Some of these different concerns might be in liquidation, others might not. Assuming that you got them all into liquidation, what would be the result? You would have seven receiverships in the seven different provinces. You would have seven courts at work. You would have seven sets of lawyers. You would have conflicts as to earnings. You would have the road broken up into fragments. You would have it rendering an inefficient and practically useless service at a time when its service ought to be most effective and most efficient. You would have a paralysis of the service when it should be in its most vigorous operation. Conflicts as to the apportionment of earnings would arise. The rolling stock of the whole system is almost wholly owned by the parent company, whose road extends to only three of the provinces. The parent company owns property in only three provinces. If you finally succeeded in getting all these companies into liquidation, you might have two or three separate receivers in one province. What would it all amount to? What would be the result in the end? Could there be any good result? If the Government of Canada proposed, as I think we all do propose, to protect the securities of which it is guarantor, then, after all that confusion, after all that paralysis of the service, you would practically have to come back to the same proposal we have before Parliament to-day. That would be the net result.

But there is another difficulty that might arise. Suppose you succeeded in getting

all these roads into liquidation, what would be the further result? I believe that the securities outstanding on the road at the present time are about $380,000,000. Whatever else may be said of the Canadian Northern railway, I do not think any one disputes that they did their financing in a very thorough and skilful way. They placed their securities at from three to four per cent. If you succeeded in getting all these companies into liquidation, I am informed that under most of the trust deeds the principal would become due. Suppose you had $380,000,000 of principal coming due, or say that only part of it would become due—suppose you had $250,000,000 of principal coming due under these trust deeds. Does not every hon. gentleman see that it would be to the direct interest of every one holding those securities that the principal should become due? For what reason? Their securities are worth to-day from 80 per cent to 90 per cent.

Mr. R. B. BENNETT: The three and one-half per cents are from 75 up.

Sir ROBERT BORDEN: They would immediately go to one hundred cents on the dollar, and, further than that, when we went back the next day to borrow that sum of money for the purpose of keeping the concern going, we should pay between six per cent and seven per cent instead of between three per cent and four per cent.

Mr. R. B. BENNETT: Their last loan cost them seven per cent.

Sir ROBERT BORDEN: Is any one going seriously to propose that we shall put this property into liquidation for the purpose of creating the confusion, dislocation, and paralysis to which I have alluded, with no good result in the end? You would have to come back to some proposal like that embodied in this Bill if you intend to protect the guarantee of this country. If, as I have pointed out, liquidation will increase the annual fixed charges to about $22,000,000, instead of $15,000,000, as they are at present, I would not suppose that so absurd a proposal would be seriously put forward by any person who had given consideration to the real problem that is before the country and the Government at this time.

It really seems to me that my hon. friend's amendment has an air of unreality about it. It is inconsistent with all practice and precedent. It is essentially inconsistent with the Drayton-Acworth report. I contend that, except as to the question of operation, to which I will come in a moment, we are substantially, in this Bill, following the principle laid down in the Drayton-Acworth report. We are following it in three respects: first we are acquiring the stock; second, we are fixing its value, if any, by arbitration; third, we are providing that the arbitration shall be final. Those are the essential features of the Drayton-Acworth report.

There is something to be said on the question of operation. I do not propose to go into that fully to-night; I said something about it on a previous occasion, when the Bill was first introduced. There is absolutely no question that in this country we have a serious situation upon our hands in the railway problem that lies before us. I do not want to dwell too insistently on the origin of those problems, but I think my hon. friends on the other side of the House will not be prepared to dispute—indeed they have not disputed—what I said the other day in that regard, when I pointed out that they had given both these railways, the Grand Trunk Pacific and the Canadian Northern, the status which they now occupy, before we came into power. The only question that lay before this Government, after we came into power, was to decide whether we should sustain the situation which had been created, or whether we should inflict upon the country, particularly at a time of business depression, a dangerous blow by permitting the roads while in process of construction to go into liquidation, and by thus announcing to the world that Canada had embarked upon a policy of railway extension, in view of her great resources, which, in the end, she found she was not able to carry out. Rightly or wrongly, we decided to sustain this road, and we are dealing with the matter as best we can. But the situation that was created by my hon. friends on the other side of the House, and for which they were responsible in the first instance, has brought us to the question of how we are to provide for state-operated or

11 p.m. state-owned railways in this country in the most effective way. No one is more conscious than I am of the immense difficulties and tremendous importance of that question. It is for the people of Canada and the Parliament of Canada in the immediate future, to make or mar the future of state-ownership in Canada, and so far as I am concerned, I shall bend my best energies, so far as they may be called into service, to make the operation of this road

as efficient in every respect as it can possibly be. I want to emphasize once more my belief that it would be absolutely absurd, and wholly impossible, for any department of the Government to undertake the administration of a great railway system such as we are now acquiring. That proposal is not feasible at all. I admit that at once, and it will be for the Parliament that is to be summoned in the early future to solve that problem by the best methods that the wisdom of Parliament can devise. In speaking of the problem I have said—and I desire to repeat it to-night—that I am convinced it will be necessary for the railway companies and the Government to get together in the immediate future, and establish a system of co-operative managment of all the railways in Canada. We have well up to 40,000 miles of railway in this country. I do not pretend that we have too many miles of railway, but I claim that perhaps they are not properly distributed. Less transcontinental lines and more branches in some of the provinces would, I believe, give better service to the people than is afforded by the policy which has been pursued. Without some system of co-operative management, we are simply going to continue the system that has been carried out in the past. That means that there will be unnecessary and even absurd duplication of lines. The importance of that consideration was very fully borne in upon me when I was studying the problem which has resulted in the Bill now before Parliament. I venture to repeat what I said before, that it came to my knowledge that the acquisition of the Canadian Northern railway by the Canadian Pacific railway would result in a saving to the Canadian Pacific railway of nearly $100,000,000 in new construction. What does that mean? It simply means that there are facilities which could be used by the Canadian Pacific railway, but, because those facilities are in the ownership of another company, they cannot be fully used for the purpose for which in the interest of the people of this country, they were constructed and might well be employed. A great railway corporation, because it can not use the Canadian Northern railway lines under some reasonable arrangement, is obliged to expend $100,000,000 in new construction. How is the interest on that $100,000,000 to be paid, and by whom is it to be paid? It is to be paid out of rates, and by the people of this country. There is absolutely no answer to that. If the Canadian Pacific railway, by acquiring the Canadian Northern railway, can save itself $100,000,000 in construction, that, to my mind, clearly indicates that there are facilities upon the lines of the Canadian Northern which are not fully employed, and which might be employed, and used by the Canadian Pacific railway, under some system of co-operative management, so as to save that expenditure to the people of this country.

I am perfectly conscious of the fact that railway men, perhaps not so insistently now as heretofore, tell you that it is quite impossible to carry out any such system of co-operative management, because the road that has control of the operation will not give the other road fair play.

I have gone into that question, as far as my limited knowledge would permit, with some of the heads of great railway systems in Canada, and I think they are coming to the conclusion that some such system of co-operative management as I have mentioned might well be carried out. It may also indicate the best method by which this road in the ownership of the people of Canada can be operated in an effective and reasonable way without party or political interference. That is what we must aim at; that is what we must attain, if state ownership is to continue in Canada; if the beginning now made is to be carried out to a larger future. Hon. gentlemen who are interested in the welfare of this country and who realize, as we all do, how greatly the future of Canada depends upon the reasonable and wise solution of this question, will, I am sure, give their minds to the consideration which I have put forward. I put it forward, of course, without any expert knowledge as to railway operation; but what has been accomplished in Great Britain during the past year or two may well give us a lead. There has been effective and efficient co-operative management of railways in England; we can surely carry out something of the same kind in this country. If that co-operative management could be carried out by the best railway organization this country is capable of producing—a railway organization which will give fair play to all interests—two important results would follow. One result would be that we should save enormous sums in capital expenditure in the next ten years—hundreds of millions of dollars, no doubt. But there is something more than that. The Canadian Northern and the Grand Trunk Pacific are unable to meet their fixed charges. For that reason we are assisting the Grand Trunk Pacific at

this session; for that reason we are acquiring the balance of the stock of the Canadian Northern. Does any hon. gentlemen, even though he be no more acquainted than I am with railway operation, doubt that by the system of co-operative management to which I have alluded we can save millions of dollars annually in operating expenses in the future? There is absolutely no doubt about it; it seems plain to me that such must be the case. I asked these railway experts about it, and every one of them has assured me that if it should be practicable to carry out some system of that kind, we would save not only enormous sums in capital expenditure, but enormous sums every year, perhaps $15,000,000 or $20,000,000, in the operation of these roads. I believe it would also give more efficient operation. That is one of the great problems of Canada in the immediate future. It is one of the problems to which every member of the House ought to direct his attention; it is one of the problems which must engage the attention of the Parliament that is to be summoned in the near future. I believe that notwithstanding the enormous difficulties which they present to us, the railway problems of Canada may be effectively solved by some such means. I hope, indeed, that when the question does come in Parliament, hon. gentlemen on both sides, will co-operate to the end that I have indicated, and that we shall in that way be able to deal, without serious detriment to the public interest, with the tremendous problems of transportation which will lie at the very threshold of our duty when the next Parliament is summoned.

Mr. E. M. MACDONALD (Pictou): Mr. Speaker, the hour is late, and as we sat rather late this morning discussing this Bill, I move the adjournment of the debate.

Motion agreed to, and debate adjourned.

Sir THOMAS WHITE: I beg to give notice that at the next sitting of the House I will move that the debate on the third reading of Bill No. 125 shall not be further adjourned.

Mr. MACDONALD: Does my hon. friend think it is fair to give notice of that kind, in view of the address just made by the Prime Minister? Does he think that the address of the Prime Minister is one which the House ought not to consider?

Sir THOMAS WHITE: This Bill has now been under debate for two weeks. Friday night is not a convenient night to take the vote, because so many members go home. If the leader of the Opposition desires to speak, as far as this side of the House is concerned, he will not be confined to twenty minutes. But I do not see how we can be assured that this debate will be brought to an end to-morrow night unless this notice is given and the necessary motion moved to-morrow. Having regard to the convenience of hon. gentlemen on both sides of the House, I think that this vote should be taken to-morrow night, not Friday night.

Mr. MACDONALD: My hon. friend is not paying his leader a very great compliment when he asks the House to dispense with consideration of that right hon. gentleman's address.

Sir THOMAS WHITE: My hon. friend need not worry about my views in regard to that.

Mr. LEMIEUX: I suppose these are the last terms imposed by Sir Clifford Sifton.

Sir ROBERT BORDEN: There is no desire to be unfair to my hon. friend. If we get any assurance that the debate will conclude to-morrow we are prepared to go on in the ordinary way. As we cannot get any such assurance we have to give this notice. With the consent of the House, the remarks of the hon. gentleman might be continued; I should not for a moment dream of raising objection if consent of the House was given.

Sir WILFRID LAURIER: The Minister of Finance has said that the debate upon this Bill has lasted two weeks. I do not know that it should have lasted any shorter time than that. The question is one of the most important that we have ever had before us; it is full of complications; it is full of figures. We were given information from time to time as the debate went on. Even if the debate should require one day more, I think the Government might very well be satisfied. I know that Friday is not a very convenient day to take up such business as this, but there is other business before the House. The Government cannot complain that we have in any way delayed their business. Perhaps my hon. friend will reconsider the matter, and decide not to press this motion to-morrow.

On motion of Sir Robert Borden, the House adjourned at 11.15 p.m.

Thursday, August 30, 1917.

The House met at Three o'clock, the Speaker in the Chair.

QUESTIONS.

(Questions answered orally are indicated by asterisks.)

ADMINISTRATOR YUKON TERRITORY.

Mr. KYTE:

1. Who is the Administrator of Yukon Territory?
2. When was he appointed, what is his salary, and what amount is paid for living allowance?
3. How much has he received for each since the date of his appointment?

Mr. ROCHE:

1. G. N. Williams.
2. First appointed 9th October, 1915, acting until 9th June, 1916. Re-appointed 13th October, 1916, and is still acting. Salary, $500 per month. He does not receive any living allowance.
3. From 9th October, 1915, to 9th June, 1916, $4,020.97. From 13th October, 1916, to 31st July, 1917, $4,806.45. Total, $8,827.42.

ENLISTMENT OF VOLUNTEERS AT MOOSEJAW.

Mr. KNOWLES:

1. Is there any arrangement by which volunteers may enlist in Moosejaw, Saskatchewan?
2. If so, before whom may they be attested?
3. How long has the present arrangement been in effect in Moosejaw?

Sir EDWARD KEMP:

1. Yes.
2. Before a justice of the peace.
3. Always; but, in addition thereto, there were recruiting officers at this point so long as the results warranted it.

THE JAMES SIMMONDS CO.

Mr. J. J. HUGHES:

1. Has the James Simmonds Co., Ltd., Halifax, any contract with the Militia Department for the supply of any goods?
2. If so, what is the date of the contract?
3. What is the amount involved?
4. What character of goods have been supplied?
5. Who were the president, general manager and secretary-treasurer of this company, respectively?
6. Have any goods been purchased from this company other than under special contract?
7. If so, when, and for what amount?
8. Is Lieut.-Col. R. B. Simmonds of the 66th Princess Louise Fusiliers interested in this company?

Sir EDWARD KEMP:

1. No.

[Sir Robert Borden.]

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

5. The department is not informed.

6. Yes. Hardware for engineer services.

7. Since April 1st, aggregating two thousand five hundred and fifty dollars for engineer services, one hundred and ten dollars for ordnance services, twenty-two dollars and fifty cents for barrack services.

8. The department is not informed.

MARCONI STATION AT LOUISBURG.

Mr. KYTE:

1. Has Marconi wireless station at Louisburg, N.S., been closed, and, if so, at what date?
2. Are the censors who were stationed there employed anywhere else, and if not, do they still receive their salary as censors?
3. Is it the intention of the Department of Militia to keep at that wireless station the soldiers who were there?
4. What is the number of officers and soldiers at that station?
5. Is, or has, W. W. McVicar been one of the censors employed at that station? What is his salary and the date of his appointment?

Sir EDWARD KEMP:

1. On 4th August, 1917, the Marconi Wireless Telegraph Company was ordered to cease to transmit traffic.

2. The services of the present censorship staff will be dispensed with on the 1st September, when the office will be abolished. The censors will receive pay during this time (4th August to 1st September), as their services are necessary in winding up the business.

3. Under consideration.

4. The necessary guards as recommended by the General Officer Commanding for the protection of the station.

5. W. K. McVicar was appointed decoding clerk on 25th June, 1917. He received $2.50 per diem and 75 cents per diem living allowance. His employment terminates with the closing of the station.

IMMIGRATION OFFICIALS AT QUEBEC AND MONTREAL.

Mr. EDWARDS:

1. Is it not a fact that the great majority of the immigrants arriving at the ports of Quebec and Montreal speak only the English language?
2. How many immigration officials are employed at the said ports, and how many of said officials are able to converse freely in the English language?

Mr. ROCHE:

1. Yes.

2. Twenty-seven officials at Montreal. All converse freely in English.

2. Thirty-two officials at Quebec. All but eight converse freely in English, and of

these eight four are sufficiently competent to understand all questions addressed to them in English.

QUESTIONS PASSED AS ORDERS FOR RETURNS.

Mr. SINCLAIR:

1. How many additional buildings and offices have been rented by the various departments of the Government in the city of Ottawa during the calendar years 1914, 1915, 1916 and 1917?
2. What are the names of the lessors, the length of the lease and the respective rentals of said buildings?
3. What department in each case is occupying said premises?

Mr. TOBIN:

1. How many officers and men are attached to the Dental Corps in the Nova Scotia and New Brunswick military districts?
2. What are their names and rank?
3. What are the salaries and allowances of each of them per month?

Mr. TOBIN:

1. What are the names and rank of the different chaplains in the Nova Scotia and New Brunswick military districts?
2. What are the salaries and allowances paid to each of them per month?

PAY OF VOLUNTEERS OPERATING TRAINS IN FRANCE.

On the Orders of the Day:

Hon. WILLIAM PUGSLEY (St. John, N.B.): I would like to take advantage of the presence of my hon. friend the Minister of Militia (Sir Edward Kemp) and also of my hon. friend, the Minister of Railways (Mr. Cochrane), to call attention to what I think is a very important matter, and to base a question upon it. I have before me a letter, part of which is as follows:

On January 17th, 1917, the St. John and other Canadian papers published with big headlines Mr. Gutelius' circular to employees of the Canadian Government Railway, asking for volunteers to operate trains in France, taking supplies and munitions to trenches. Among other conditions it stated: "And with the further understanding that they will receive wages made up of military pay supplemented by railway pay equal to their present pay", etc. The required number were quickly secured, briefly drilled, sailed for England March 1st, and after delay of about a fortnight went to France, and of course are there now.

My information is that instead of the promise made by Mr. Gutelius in his circular being carried out, these men are only receiving $34 per month, instead of in many cases $90 per month, which would be the amount of their railway pay. I think the ministers will agree with me that there is nothing more important than to keep faith with those who go to the front, and nothing so calculated to interfere with recruiting as a failure to keep such a promise.

Some hon. MEMBERS: Order.

Mr. PUGSLEY: I now ask a question, and, if I am out of order, the Speaker will call my attention to the fact. I would like to know whether those statements are true, and whether or not the promise made by Mr. Gutelius has been carried out.

Mr. COCHRANE: So far as I am aware, the railway has carried out every promise it made. If my hon. friend will put his question on the Order Paper, and will give the facts, I will take it up.

CANADIAN RAILWAY SITUATION.

CANADIAN NORTHERN RAILWAY BILL—THIRD READING.

MOTION TO APPLY RULE 17B CARRIED ON DIVISION.

On the Orders of the Day:

Sir THOMAS WHITE (Minister of Finance): Under Rule 17B I beg to move, seconded by Hon. Mr. Hazen:

That the debate on the Third Reading of Bill No. 125, An Act providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway Company shall not be further adjourned.

The motion was carried on the following division:

YEAS.

Messieurs:

Armstrong (Lambton),	Lewis,
Armstrong (York, O.),	McLean (Queens, P.E.I.),
Arthurs,	McLeod,
Ball,	Merner,
Barnard,	Middlebro,
Bellemare,	Morphy,
Bennett (Simcoe),	Nicholson,
Best,	Rainville,
Borden (Sir Robert),	Robidoux,
Boulay,	Roche,
Bowman,	Schaffner,
Boyce,	Scott,
Boys,	Sexsmith,
Brabazon,	Shepherd,
Burnham,	Smith,
Burrell,	Stanfield,
Clark (Bruce),	Steele,
Clark (Red Deer),	Stevens,
Cochrane,	Stewart (Hamilton),
Crothers,	Stewart (Lunenburg),
Currie,	Sutherland,
Donaldson,	Taylor,
Edwards,	Thompson (Yukon),
Elliot,	Thomson (Qu'Appelle),
Foster (Sir George),	Thornton,
Girard,	Turriff,
Glass,	Walker,
Hanna,	Wallace,
Hartt,	Webster,
Hazen,	Weichel,
Henderson,	White (Sir Thomas),
Hughes (Sir Sam),	Wright.—65.
Lalor,	

NAYS.

Messieurs:

Achim,	Laurier (Sir Wilfrid),
Barrette,	Lemieux,
Bourassa,	Macdonald,
Bureau,	McCoig,
Cardin,	McKenzie,
Carvell,	Marcile (Bagot),
Copp,	Martin,
Delisle,	Michaud,
Douglas,	Murphy,
Fortier,	Nesbitt,
Gauthier	Oliver,
(St. Hyacinthe),	Pacaud,
Gauvreau,	Pardee,
German,	Power,
Graham,	Proulx,
Hughes (Kings, P.E.I.),	Pugsley,
Kyte,	Ross,
Lachance,	Seguin,
Lafortune,	Sinclair,
Lanctot,	Truax,
Lapointe	Turgeon,
(Kamouraska),	Verville.—43.
Lapointe	
(Montreal, St. James),	

PAIRS.

Messieurs:

Alguire,	McMillan,
Bradbury,	Cruise,
Chabot,	Beland,
Carrick,	McCraney,
Clements,	Knowles,
Cockshutt,	Charlton,
Cromwell,	Tobin,
Davidson,	Carroll,
Descarries,	Demers,
Doherty,	Marcil (Bonaventure),
Forget,	Bickerdike,
Fripp,	Devlin,
Gauthier (Gaspé),	Ethier,
Green,	Buchanan,
Jameson,	Guthrie,
Kemp,	Robb,
McCurdy,	Maclean, A. K.,
Marshall,	Neely,
Meighen,	Loggie,
Morris,	Boivin,
Morrison,	Molloy,
Munson,	Boyer,
Nickle,	Kay,
Northrup,	MacNutt,
Rogers,	Papineau,
Thoburn,	McCrea,
Tremain,	Chisholm,
White (Renfrew),	White (Victoria),
Wilson.	Wilson.

Mr. CARROLL: I was paired with the hon. member for Annapolis (Mr. Davidson); otherwise I would have voted against the motion.

Mr. NEELY: I was paired with the hon. member for East Elgin (Mr. Marshall); otherwise I would have voted against the motion.

Sir EDWARD KEMP: I was paired with the hon. member for Huntingdon (Mr. Robb); otherwise I would have voted for the motion.

Mr. DOHERTY: I was paired with the hon. member for Bonaventure (Mr. Marcil); otherwise I would have voted for the motion.

Mr. MUNSON: I was paired with the hon. member for Vaudreuil (Mr. Boyer); otherwise I would have voted for the motion.

Mr. BRADBURY: I was paired with the hon. member for Dauphin (Mr. Cruise); otherwise I would have voted for the motion.

The House resumed the adjourned debate on the motion of Sir Thomas White for the third reading of Bill No. 125, providing for the acquisition by His Majesty of the capital stock of the Canadian Northern Railway Company, continued from August 29, 1917.

Mr. SPEAKER: Under the rule, each hon. member who speaks on this motion is limited to twenty minutes. I have thought it advisable to knock with the gavel when an hon. member has spoken for nineteen minutes, so that he may bring his remarks to a conclusion within the time allowed under the rule. On the expiry of the twenty minutes I shall knock twice with the gavel.

Mr. MACDONALD (Pictou): Mr. Speaker, I fear that under the baneful influence of the Government in office our institutions are becoming gradually Americanized, the use of the gavel in this House being a somewhat novel proceeding with us, but one which is common with our neighbours to the south of us. Whether the result will be a good thing for Canadian institutions or not I do not know, but certainly the introduction of this novel method of stopping debate accords well with the nefarious measure it is being applied to. We are here, Sir, dealing with the most serious question, as far as the financial interests of Canada are concerned, that has been before this Parliament for a long period of years. At an earlier period we heard a great deal about the tremendous obligations imposed upon this country by the Canadian Pacific Railway proposition. Although that proposition was a very great one, it is not comparable in the slightest degree, from the standpoint of the amount of the obligation which is being imposed upon the country, with this one which is being forced and crushed through this House without the slightest regard for the consequences. It is undoubted that the hon. the Minister of Finance (Sir Thomas White) is induced to take this course because he has some facts to conceal, and be-

cause he is unwilling, or unable, to give to the Canadian people the information which they are entitled to receive before a measure having such tremendous consequences to the country passes through this House.

Mr. SPEAKER: When the hon. member (Mr. Macdonald) accuses a minister of deliberately concealing facts and availing himself of the rules of the House for the purpose of so doing, he is going beyond the rules of debate.

Mr. MACDONALD: I have a right to say that, as an explanation of the reason why this closure is being applied, the Minister of Finance is unwilling to give the House the information that the House has a right to have.

Mr. SPEAKER: Order. Under our rules, the hon. member must take his seat. The second statement of the hon. member is not quite so objectionable as the former one, but still I think that both of his statements exceed the proper decorum of debate.

Mr. MACDONALD: My second statement was an exact repetition of the first one. I have no desire to transgress the ordinary rules of debate but I have a right to say to the House and the country what I deem to be the correct explanation of why this measure is being forced through—

Mr. SPEAKER: Yes; so long as the language of an hon. member is parliamentary.

Mr. MACDONALD: I submit that my language is quite parliamentary in every particular. I was not suggesting motives. I was stating the reason why the Minister of Finance was using this novel method of forcing through this measure, and I have a right to do that.

We are discussing to-day the amendment proposed by my hon. friend from St. John (Mr. Pugsley) which declares that before this country is finally and positively saddled with this enormous liability of $650,000,000, together with whatever amount the arbitrators may choose to award for the stock which the Canadian people are supposed to get under this agreement, they should come back and submit to Parliament the question of whether or not that money should be paid. In view of the enormous liability, in view of the consequences which it will have for all time in the future upon this country from the financial point of view, such a reasonable proposition as that of my hon. friend from St. John ought to be accepted by this or any other government. When that proposition was made, what was the answer given by the right hon. the Prime Minister (Sir Robert Borden) last night? He told us that we should not think in this country of confiscating any person's property. Why did he not say so in 1914? When in 1914 he brought down the legislation by which he proposed to give the Canadian Northern Railway Company $45,000,000, he and his Solicitor General (Mr. Meighen) said to the House and the country: Pass this legislation and we will have the right to confiscate. If it is wrong to-day it was wrong in 1914. The Solicitor General on that day, dealing with that measure, deliberately and solemnly announced to Parliament that the effect of it was that:

> We now here bind you that should the day of default come you shall not appeal to the Parliament of Canada on the ground of your road being confiscated in any way whatever.

After that notice was given to Parliament in 1914 and the legislation was passed upon that understanding, what right has the Prime Minister to come to us to-day and tell us that we should hesitate about confiscation.

I have seen properties in which men have invested deliberately taken away, legislation passed in this House which was confiscation beyond all question, and when the Government pledged itself three years ago that it had the right to confiscate and could use that right and it would not cost the Canadian people five cents to get all the equity in this road, why should we have all these paltry excuses put forward to-day as reasons why they cannot confiscate when they have a right to? Then we hear that the Government had all the information necessary, that it had Mr. Bell's audit of the Canadian Northern accounts, that it had reports by Auditor Bell and reports of the Drayton-Acworth Commission and the report of Mr. Loomis. Why did not the members of this House have that information? Of what use is it to this Parliament, or to the people, if the Government have information which they decline to give out so that we may form a judgment? Let me give one or two illustrations of information so far withheld and without which this House is saddling this country with this enormous liability. The Finance Minister has not told Parliament, and apparently is not going to, the amount for which this stock is pledged with the pledgees, and this is information which the House has a right to receive. In addition to that, let me remind the Finance Minister that there are $25,000,000 of income convertible stock outstanding, and that at the time that stock was issued and sold in Great Britain, as

we are told it was, $25,000,000 of the common stock of the company was deposited with the National Trust Company as security, so that if the holders of the income stock desired common stock they could obtain it at any time up to the year 1919. That stock is in the hands of the National Trust Company. Has the minister told the House if any arrangement or understanding has been made with the holders of the income convertible stock in existence as to whether they will, before 1919, exercise their right to take that stock, which is now in the hands of the trustees?

Sir THOMAS WHITE: That stock is not covered by this agreement at all.

Mr. MACDONALD: Mr. Speaker, will you take notice of any interruptions?

Mr. SPEAKER: I will give the hon. gentleman full advantage of any interruptions.

Mr. MACDONALD: Then we are told with great gusto by hon. gentlemen opposite that they are getting absolute title to all the stock of the Canadian Northern Railway and of the subsidiary companies. And yet the Finance Minister, as you will find from Hansard of August 17, brought down a return in regard to certain subsidiary companies which showed that this Government and the Canadian people will not, as a result of this Bill, get all the stock of the subsidiary companies. There is outstanding $5,947,100 of that stock held by people outside, that being made up of $2,405,400 stock of the Canadian Northern Quebec Railway Company; $2,000 stock of the Central Ontario Railway Company; $2,940,000 of the Duluth, Winnipeg and Pacific Railway Company; $75,000 of the Halifax and Southwestern Railway Company; $500 of the Irondale, Bancroft and Ottawa Railway Company; $521,200 of the Quebec and Lake St. John Railway Company; and $3,000 of the Niagara, St. Catharines and Toronto Railway Company. That stock will not become the property of the Canadian people. But what will be the result? It will be that unpaid dividends on stock guaranteed by the Canadian Northern in connection with the issue of debentures of these companies must be met. This stock is held by outside holders, and the result will be that some people, whose names are not known, whose names the Minister of Finance will not give to the House, will come into possession of stock which will be rendered valuable and be able to earn dividends, and in the case of debentures, receive their back dividends which have not been paid by the Canadian Northern Railway Company. Should we not know something about that amount. Is six million dollars approximately, so inordinately small a sum that nobody needs care about it? Surely in this time, when people are being taxed in every possible way, $6,000,000 cannot be disregarded. Yet hon. gentlemen are asking us to go it absolutely blind in regard to that matter, to pay no attention whatever to it, and they give no information. Not only that, but all over this country there are coal companies, there are lumber companies, the stock of which has been held by the holders of the Canadian Northern railway stock. I venture to say that if you had a correct statement of the stock pledged with the Canadian Bank of Commerce, it would be found that a large number of companies in which these gentlemen are personally interested have had their stock pledged by the holders with the Canadian Bank of Commerce, and that the argument will be made to the arbitrators by the pledgees, whose indebtedness we do not know, that the value of the common stock of the Canadian Northern railway in the hands of Messrs. Mackenzie and Mann was very much greater by reason of the fact that it made valuable the stock in these coal and lumber companies all over the country, and on that account additional value should be given to the common stock of the Canadian Northern Railway, and it should be assessed at a higher rate. But we have no information with regard to it, the House and the country are told to go it blind, to shoulder this liability, to assume all these charges. For what purpose? Not because of any proposition of Government ownership. The Prime Minister last night talked fantastically about some system of co-operative management of railways, with glittering generalities, absolutely evading any statement of principle as to what the intention was, and the House is asked to accept that beautiful reason as a justification of the assumption of this enormous liability, imperilling the financial position of this country. I venture to predict that the Finance Minister, inside of six months, will be unable to sell the securities of Canada except at a figure so disgracefully low that every Canadian will hang his head in shame, and the cause of the depreciation of our securities will be this infamous bargain which is being forced through the House to-day by the hon. gentleman. The Prime Minister tells us of all the information that the Government has yet, he is carefully concealing it from

the House. I have indicated one or two items in regard to which we should have had information. I cannot, in the short time within which I am compelled to limit my remarks, deal with every one of these questions, but I have indicated some of them.

Then he told us what a terrible thing it would be for Canada if this enterprise was compelled to go into the hands of a receiver. Why, said the Prime Minister last night; you would have to appoint seven receivers; you would have to have seven courts at work and seven sets of lawyers; you would have conflicts as to earnings; you would have the road broken up into fragments, and seven different receiverships. I was astounded at the Prime Minister venturing to make that statement in the House. He is too good a lawyer, as I know from my association with him at the bar of my province, not to be aware that if he was speaking from a legal standpoint and not from a political standpoint he would not have made that statement. Does he not know that, under the Exchequer Court Act of this country, it is open for this Government or for any creditor of the Canadian Northern Railway, in respect of the Canadian Northern Railway Company and each and every one of these companies which were mentioned in the schedule of the Act of 1914 as being railways declared to be for the general advantage of Canada—to go to the Exchequer Court and have one receiver appointed covering the control over every one of these railways. I make that statement and the right hon. gentleman cannot dispute it. I have the words of the Exchequer Court Act under my hand and I can quote them to the House to show that the judge of the Exchequer Court has power to appoint receivers whose power to deal with this question will be adequate and ample to cover the control of all of these railways.

The legislation of 1914 expressly declared that the subsidiary companies which up to that time had not been declared to be railways for the general advantage of Canada, should come under federal authority, and they were so placed, and they still are there. Therefore, why does the Prime Minister talk about seven receiverships, seven courts of law, and seven sets of lawyers, in the face of that fact when, so far as the interests of this country are concerned, through the judge of the Exchequer Court one receiver could be appointed, with all the ample powers which attach to a receiver, who could deal with this whole problem, and during the time of stress and financial difficulty and uncertainty could keep that railway in operation and in such condition that we would be able to deal with it later on, when proper investigation was had. But this is the reason, forsooth, why we cannot do anything except what the Government asks. Then my right hon. friend the Prime Minister told us they were following the Drayton-Acworth report in three particulars. My right hon. friend should have told the House wherein he was not following the Drayton-Acworth report, and if he had done so, he would have found a good many instances other than the scanty three which he had to conjure up as some justification for his statement. There is not a line in the Drayton-Acworth report that recommends giving a cent of money to Mackenzie and Mann. On the contrary they say it is not "for value received," because there was no value in it. There might be a disposition made of a certain quantity of stock which should remain here, but no money was to be paid, and yet my right hon friend (Sir Robert Borden) made an attempt to lead the country to believe that the Drayton-Acworth report recommended that Parliament should recognize the right of Mackenzie and Mann to be paid in cash. There is not a line of that report that warrants that statement, and it cannot be justified. Why my right hon. friend should have made that statement I am at a loss to understand, in view of the fact that the Drayton-Acworth report told us this stock was not worth a dollar, and not a dollar should be paid for it, yet Parliament is seriously asked to provide for an arbitration, and if the arbitrators are unanimous there is no appeal, and whether the arbitrators are unanimous or not we cannot in this Parliament exercise our discretion or our judgment in regard to it no matter what the state of Canada may be financially six months from now. In other words, we, or our successors in this Parliament, will be tied hand and foot from this moment, and will be unable to do anything to relieve this country from the enormous liability that is being imposed on it. And, forsooth, the Finance Minister tells us about this professional arbitrator at Toronto, this wonderful gentlemen, Sir William Meredith, about whom no person could make any remark, who will be sure to give a verdict in favour of the Government. That was the position the Finance Minister took. Sir William Meredith either is earning his money as Chief Justice of Ontario, or he is not earning it. I am glad to notice that

a Conservative senator has introduced a measure which I am told has been passed in the Senate, which provides that in the case of judges like Sir William Meredith, who receive very big fees, the amount of these fees shall be deducted from the salary which the country is expected to pay them. Either Chief Justice Meredith is performing his duty as Chief Justice of Ontario, or he is not. If he is performing his duty to the full he has no business going into matters of this kind; and, in view of the fact that he is the professional arbitrator of the Conservative Government of Ontario and of this Government, he is not an appointee to whom the country can give carte blanche and say: Take this question into consideration, and Parliament will never have the right to control it in any way. What the Prime Minister was attempting to talk about in regard to the co-operative management of these roads, I was unable to conceive last night, and after reading Hansard this morning I was unable to understand it. Was he telling us that hereafter the country was going to finance the whole three railways of the country? If that is the proposition we ought to know it, but the whole thing is in such a position of blissful uncertainty, with no information, that the country is being told to take it blind. Just one word, Mr. Speaker, before I close—as you are compelling me to close—in regard to this allegation that this House has had an opportunity to consider this matter. Let me give the dates. On August 2nd, the Minister of Finance made a statement about the railways. Then he said nothing for five days. On August 7th, he moved a resolution in regard to this matter, and the House went into committee on the 7th and 8th August. On the 9th August the first reading was given to the Bill pro forma. My hon. friend then sat down and said nothing. My time is up, but let me complete this sentence.

Mr. SPEAKER: I have given the hon. gentleman two extra minutes.

Mr. MACDONALD: I was interrupted twice. I want to finish—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. gentleman was interrupted once—

Mr. MACDONALD: And once by yourself, Mr. Speaker.

Mr. SPEAKER: I was compelled to call the hon. member to order; that was not my fault.

Mr. MACDONALD: It should not count against me.

Mr. SPEAKER: And there was one interruption by the hon. Minister of Finance for the fraction of a minute. I have given the hon. gentleman two extra minutes, and I cannot allow any more.

Mr. MACDONALD: I would like to complete my statement.

Some hon. MEMBERS: Order.

Mr. MACDONALD: However, if the Speaker rules I cannot complete the sentenc , then I cannot.

Mr. SPEAKER: I gave the hon. gentleman two full minutes over the allotted time. Whether it is acceptable to hon. members or not, it is my idea to allow each hon. member one minute extra in which to conclude his remarks, but at the end of that time I must ask hon. members to conclude.

Right hon. Sir WILFRID LAURIER: Mr. Speaker, it so happens that, on account of the circumstances in which the House is not interested, I could not be present during the greater part of the debate on this question, and this is the first opportunity I have had to intervene in it. As my time is limited, I cannot do more than touch on two or three of the points which are in issue. It is true that last evening my hon. friend the Finance Minister (Sir Thomas White) was kind enough to say that, so far as I was concerned, I might exceed the rules and take all the time I wanted. I am sorry to say to the Minister of Finance that I cannot even thank him for this courtesy. It is recorded in the Great Book that King David and his companions were in the desert, suffering from thirst, and when some water was offered, the King, seeing that there was not enough for himself and his companions, would not touch it. I am in the same position today. There is not enough to go around the members of the Opposition, and I shall share with them the short ration of time allowed to each of us.

Therefore, I cannot do more than touch two or three points which were involved in this discussion, and the first to which I shall direct my attention will be to a statement made and repeated again and again from that side of the House by my right hon. friend the Prime Minister (Sir Robert Borden), the first time he spoke, and repeated by my hon. friend the Solicitor General (Mr. Meighen) on more than one occasion—almost every time he was on his feet, and he was on his feet several times—and by my hon. friend the Minister of

Finance (Sir Thomas White) who declined to accept an invitation tendered him to go to the city of Toronto to discuss this question. The statement was made and repeated, that all the members on this side of the House, including myself and the member for St. John (Mr. Pugsley) had agreed at one time to pay $30,000,000 for the stock of the Canadian Northern Railway.

Sir, let me tell the whole story, because the story as presented by hon. gentlemen opposite has been only partly told. In 1914, I need not remind the House, the Canadian Northern was practically insolvent; at all events, it could not meet its liabilities or pay its fixed charges, and under such conditions, it was, by law, insolvent. It came to this House for assistance, and the question arose how Parliament should deal with it. Three courses were open to us then as now. The company might go into liquidation, it might be temporarily assisted, or the Government might take it over. We did not then, any more than we do now, favour this company going into liquidation, and in this respect our policy is different from that of the United States where many companies that have been in difficulties similar to those of the Canadian Northern have been allowed to go into liquidation. If I had more time at my disposal I should like to speak for a few moments on the difference in policy between the United States and ourselves in that regard, but I pass on. The Government decided at that time that we should assist the company. It was represented to us that if we advanced the sum of $45,000,000, that amount would enable the company to settle all their claims, meet all their liabilities, and complete the enterprise and make it a going and prosperous concern. The Government took every possible mortgage they could upon the assets of the company, and it is well in this connection for me to recite the Act to show the extent of the mortgage that was taken by the Government at that time securing the advance of $45,000,000, and the methods provided for the collection of it. First of all, let me say that the stock was increased from $77,000,000 to $100,000,000, by a stroke of the legislative pen, to use the graphic phrase of my hon. friend from Calgary the other day. The Government took $40,000,000 of the stock, and a mortgage upon the balance, and the company bound itself to grant " a first, fixed and specific mortgage or charge upon the shares " of the company. It also undertook to

(b) grant a specific mortgage or charge upon the mortgage securities and shares of stock now or from time to time hereafter deposited with and specifically mortgaged under the Trust Deed of the 30th day of June, 1903.

(c) grant fixed, specific and floating mortgages or charges upon the undertaking of the Canadian Northern and its properties, assets, rents and revenues, and its rights, powers and franchises present and future.

Nothing was omitted. Everything that the company had in the way of property was covered by the mortgage. Then it was stipulated, and to this the company agreed, that in the event of default the mortgage would be foreclosed and everything would be lost by the company, even their equity of redemption. So far we made no opposition to the proposition made at that time by the Government. We agreed that we should take a complete mortgage upon everything that the company had, and that in the event of default the company should lose everything it had mortgaged. That was the covenant; it is there in the law. Nothing could be more ample or more efficient than the mortgage we then took. But that proposition of the government provided one remedy, and one remedy only. It provided for the Government recouping itself for the assistance it had given to the company, in the event of default taking place. But we were not content with that on this side of the House, because no provision was made whereby the Government could take over the road in the event of it proving a going and prosperous concern. The Government provided for our taking over the road in the event of default, in which case the company would lose everything it had, but the Government made no provision whatever for acquiring the property if the company was able to meet its liabilities and become a going and prosperous concern. That was the difference between the policy of the Government, and our policy.

My hon. friend from St. John moved an amendment that in the event of the company becoming prosperous we should make provision to acquire, not from an insolvent but from a solvent company, the property of the road for the benefit of the

4 p.m.

Canadian people. His amendment contained four different provisions. The provisions were that the stock should not be $100,000,000, but should be reduced to $30,000,000; that this stock should be placed in the hands of the Receiver General to be held by him in trust for His Majesty for the period of five years; that if during that period of five years the company discharged its liabilities to the Government, made all the interest payments on the money advanced, and carried out all

the obligations it undertook under that agreement, then at the end of the five years the stock should be returned to the previous owners, Mackenzie, Mann and Company, Limited. Then came the other provisions to which I now call the attention of the House:

To provide that the Governor in Council shall have the option at any time within such period of five years—

That is, during the time the company was meeting its liabilities, doing a good business, and becoming a prosperous concern.

To provide that the Governor in Council shall have the option at any time within such period of five years to acquire the absolute ownership of the said stock and of the said Canadian Northern Railway system, and of all the constituent and subsidiary companies mentioned in the said resolution or proposed agreement, subject to existing encumbrances and to said arrangements regarding the conversion of said income charge convertible debenture stock, for a price to be fixed by arbitration, but not to exceed the sum of $30,000,000, being the par value of such stock so to be reduced as above provided.

This amendment was voted down. On the third reading of the Bill I moved this amendment embodying the same ideas:

That the said Bill be not now read a third time, but that it be resolved that under existing circumstances no assistance should be given to the Canadian Northern Railway Company unless at the same time it is provided that the Government have power, within a reasonable time, to acquire the ownership of the entire stock of the company at a price to be fixed by arbitration, but not to exceed thirty million dollars.

Those were the two policies—the policy of the Government, and the policy of the Opposition. The policy of the Government provided for one contingency only—for the contingency of default by the company, in which event the provisions for our taking over the road were ample. But we asked the Government to go further and provide for another contingency, namely, that in the event of the company becoming a solvent and prosperous concern we should have power to purchase the property.

The policy of the Government was this: that if the company became insolvent, unable to meet its liabilities, then the Government would take charge of the company and do the best they could with it; but, refusing our proposition, they made a provision that, if the company was solvent, prosperous, doing good business, if it should continue to prosper, the Government would not have the right to acquire it. Our policy on the other hand was this: that we proposed to buy at a sum, not exceeding $30,000,000, to be fixed by arbitration, the property of a living, growing, prosperous company. Does my hon. friend consider that the position to-day is parallel to that which existed in 1914? Hon. gentlemen opposite say to us: Oh, but you are going back on your own record; you said that you would be prepared to pay $30,000,000 for that property, and now you object because we are doing what you proposed in 1914. Nothing of the kind. You propose to buy the stock of a bankrupt company. We proposed to buy the stock of a living, growing and prosperous company. Are the two things the same. No; there is all the difference in the world. The position of affairs is not as has been presented by the Minister of Finance, or the Solicitor General, or the Prime Minister. Those hon. gentlemen have never stated in any of their utterances that it was not the stock of a bankrupt company that we proposed to buy, but the stock of a living, growing, prosperous company. I think I have shown to the satisfaction of every man who is not biassed in this matter, that those hon. gentlemen are doing the Opposition an injustice in presenting the case as they have done.

Having disposed of this point, I have this to say further upon the whole policy of the Government at this time. The event foreseen in the statute of 1914 has arisen. The company is in default; it is insolvent, and we have again to-day to face the same problem. Again the company comes before Parliament asking for further assistance. If the company is in the position that in 1917 it has gone into default, as was foreseen in 1914, what is the policy that ought to be followed? The policy which ought to be followed is the policy which was written in the statute-book. The section of the statute has been read several times already, but we cannot read it too often, and once more I will read it so that the people may know that in 1917 the Government are going completely back upon the law which they themselves enacted in 1914. Section 24 of the statute of 1914 says:

If authorized by the Parliament of Canada, the Governor in Council may on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any

rule of law or equity to the contrary notwithstanding.

Could language be more explicit, more certain, more accurate than the language there laid down? In the event of default, the mortgage shall be foreclosed, and everything that is foreclosed, the stock, the physical property, shall at once be vested in His Majesty. Why is that not done to-day? Why is not the mortgage foreclosed as it was not only contemplated but enacted that it should be? What reason has been advanced against foreclosing? I have heard it stated by an hon. member—if I mistake not, it was by the Solicitor General—that the Bill of to-day is in perfect accord with the statute of 1914, because he stated that, under the law of 1914, Parliament can impose conditions as to foreclosure. That is true, but what are those conditions? I do not know what they are. It is for the Government, who are the framers of the Act, to tell us what those conditions are, and they have not done so. I am sure, however, of one thing, namely, that whatever the conditions may be those conditions were to be imposed at the time of foreclosure, but no conditions could be made which would change the nature of the law and substitute for foreclosure an Act of purchase. To-day, however, we are not asked to foreclose; we are asked simply to pass an Act whereby the Government may purchase the stock of the company. The Government have to-day, under the statute passed in 1914, the power to foreclose that mortgage, and to put their hands upon that stock, but they now ask us not to do that to which the company agreed if they made default; they now ask us to purchase the stock of the company. Am I stating the case too strongly when I say that we are asked to purchase stock of a company which to-day is in default, which stock we have a right to take possession of in behalf of the Canadian people? Oh, we are told, but that would be confiscation. As was asked a moment ago by my hon. friend (Mr. Macdonald): Why did not the Government think of that in 1914 when they passed that legislation? What do we confiscate? The other day the Solicitor General made this appeal to me: Are you going to sanction an injustice of this kind; are you going to confiscate the property of any man; you never did that while you were in office. No, I never did that while I was in office, and I do not want to do it to-day. According to the report of the commissioners, we are taking away property which is valued at $370,000,000, the existing liabilities on which amount to $400,000,000. That is to say, we are going to pay $30,000,000 more than the value of the property which we take. Is that confiscation?

In regard to this stock, let us come down to first principles. Companies are authorized to sell stock in order that they may have capital with which to carry on their enterprises. This company has been authorized to issue $100,000,000 worth of stock. It has never sold one dollar's worth of that stock; it has never received one dollar for it, and therefore, to say to us that when we take that stock, we are taking anything from the company, does not bear argument and should not be considered seriously by serious people.

We are taking nothing from the company. We are giving them more than they are entitled to, and the answer I make to my hon. friend the Solicitor General is that I do not believe any more than he does in confiscation, but in this case, acting as we do and opposing this law as we do, and asking that the Act which is before us should not become law, we are doing no injustice to anybody. I would not think of doing an injustice to Mackenzie and Mann. On the contrary, I know they deserve every consideration. If I thought I was taking one dollar's worth of property from them I would not do it, but as it is I can vote against this Bill with a free and clear conscience.

Mr. E. W. NESBITT (North Oxford): So far as I am personally concerned, I have no feeling against Messrs. Mackenzie and Mann, in fact I have nothing but admiration for the courage and ability they have shown in building this road. They have not only shown courage and ability, but I think they have, perhaps, built the road as cheaply as any person else could have built it under the circumstances. No doubt they were limited to a great extent as they went along by lack of capital, and we all know what that means to any one who embarks upon an undertaking of this kind. The Secretary of State told us the other evening, and several other hon. gentlemen have told us—I think the Prime Minister also made the statement—that if we took this road over under the scheme put forward by my hon. friend from South Renfrew (Mr. Graham), it would mean confiscation. My right hon. leader has just spoken very clearly on that point, and has set forth my views exactly. This cannot possibly be conjured up as a case of confiscation. My hon. friend the present Secretary of State (Mr. Meighen)

said most explicitly and definitely, in 1914, that under no consideration were the owners of this road to come back for further assistance, and in the event of default they were not to raise the claim that we were confiscating their property. According to the Drayton-Acworth report, and according to Professor Swain's report, and taking over the liabilities of the road we are actually paying more than the road cost. Therefore, nobody can imagine we are confiscating the property. Altogether apart from that, the owners of the road made a bargain with us in 1914. They were notified then most clearly and definitely by the Solicitor General that if they failed in their enterprise and we took it over by foreclosure they must not, under any consideration, set up a claim that we were confiscating the road. Where two parties make an agreement, and one is not able to carry out his undertaking, if the other takes over the property under the agreement there is not, and there cannot be, any question of confiscation. If a man mortgages his property and fails to redeem it, if the mortgagee takes it over nobody ever dreams of confiscation. I have nothing to say against the pledgees of this stock for doing the very best they can to get the highest price possible for the stock, and I have nothing to say against Mackenzie and Mann for doing the best they can to get the highest price possible for this stock. It is their right and their privilege as independent citizens to get all they can. At the same time, it is equally our right, as representatives of the people, to see that the interests of the country are guarded. My right hon. friend the Prime Minister waxed very indignant last night in regard to the resolution seconded by the hon. member for St. John (Mr. Pugsley) in 1914, the effects of which resolution have just been stated by my right hon. leader, and stated that we were opposed to arbitration. I have not heard any one on this side of the House express opposition to the principle of arbitration. What we claim is that in this case there is nothing to arbitrate. That is the position we have taken right along. The other day in committee the Government saw fit to vote through the proposition that the value of this stock shall be left to arbitration. That being so, it is our duty to see that the interests of the country are fully guarded by this arbitration. Both sides of the House have an equal responsibility in this. My hon. friend the member for St. John moved a very simple resolution, and one which will absolutely guard the interests of the people. It is to the effect that the finding of this arbitration board must be subject to the approval of the award by Parliament. Nothing can be more simple than that, and in my judgment nothing can more completely safeguard the interests of the people. My right hon. friend (Sir Robert Borden) said last night that the reason they were taking over the stock instead of taking over the road itself was because they were leaving the operation of the road under its present management, or leaving the corporate entity absolutely as it was. We have been told by the Premier and also by the Minister of Finance that they were going to put this road in such a position that it would not be under the Governor in Council, and therefore would not be subject to party influence. They have not as yet given us any indication as to how the board of management will be organized, or how it will be appointed. If it is appointed by the Governor in Council it certainly must be under the control of the Governor in Council, and must be under party influence. There is only one way to avoid that and that is to appoint them in the same way as judges are appointed so that they are responsible to Parliament only. The people will never be satisfied with a commission to manage this road, or the roads of this country, unless it is in an independent commission and is composed of capable men. As to the personnel of the board of arbitration, I have nothing to say against Sir William Meredith personally but I would have been very much more satisfied had some hard-headed, capable business man been appointed by the Government as their arbitrator. This is a business proposition after all. If we are going to arbitrate as to the value of this stock, the arbitration should be before hard-headed, capable, business men who have had experience and not before some judge who has been taken away from his business connections for a number of years. He may be absolutely fair in his mind and he may be capable but his business for years has had to do with proceedings in court. I have always been opposed to the appointment of judges on arbitration boards. Judges as a rule have been removed for years from intercourse with the business of the country. I have never been able to find out why judges are constantly appointed to arbitration boards because previous to their appointment the judges were probably only very ordinary solicitors. There is no divine right by which they become more important after

they have got upon the bench than they were previously to going on the bench. For that reason I am opposed to that type of arbitrator.

I notice that the Minister of Finance has moved to strike out certain words and to omit certain clauses at the suggestion of the hon. member for Calgary (Mr. Bennett) which I think improves the Bill in some ways. But, why he should strike out the words "on their own judgment" is something that I have not been able to realize. I do not know whose judgment the commission will go by when they fix the amount of the award unless it is their own. They will hear evidence and all that sort of thing but why strike out the words "on their own judgment"? I do not know whose judgment they are going to leave it to, unless it is the judgment of the Governor in Council, or the Government, in that case, we should fix the amount now if there is going to be any amount. The proper way would have been to have fixed the amount in this House if there was going to be any amount given.

I cannot understand why the Government, and especially the Minister of Finance and the Secretary of State, should continually harp on the question of our confiscating this property. It is absurd to talk about confiscating a property when we are really paying more than the property is worth by assuming the liabilities and at the time carrying out the agreement which was entered into only three years ago.

Last night the Prime Minister discussed something that he has discussed here once or twice before, and that is a co-operative management of the railways. That would mean the taking over of all the railways. While I have not given it serious enough, or long enough, thought to enable me to conclude whether I am in favour of government ownership of railways entirely or not, that would be the only way in my judgment by which individual, or co-operative, control could be brought about.

The right hon. gentleman referred to the operation of railways in England. That may or may not be successful from the financial standpoint. The railways in England are in a very peculiar position. They have certainly operated the railways in England from the war standpoint excellently since the war commenced, but they had the advantage of the advice of all the best managers of railways in England, who joined together for the purpose of operating them during the war. That could only be done in this country, in my judgment, by the Government assuming control of all the railways and appointing one managing commission. If we are successful in the attempt to operate this railway, something of the kind may be brought about in the future.

But, in the meantime, we are not supposed to be discussing that; the only question is whether it is wise to adopt this simple amendment of my hon. friend from St. John which absolutely protects the interests of the people. The Prime Minister said last night: What do you think of a proposal to appoint arbitrators with a right of appeal to the Supreme Court and then an appeal to Parliament? I have always thought that Parliament was supreme, was the high court of this country. Therefore, I do not see any danger, or any farce, in forcing the arbitration board, or even the Supreme Court of this country, to submit their finding to the Parliament of Canada. Not the slightest injustice could be done to any person by Parliament. Otherwise, we are not fit for our positions. I do not see anything in the suggestion of my right hon. friend that it would be absurd to allow an appeal from the arbitration board, and from the Supreme Court, to this Parliament. These are only ordinary individuals that we have appointed to these positions ourselves, or who have been appointed by the Government which represents the country. I have no doubt that my time has expired. I will urge in sitting down that the Finance Minister and the Government reconsider the position they have assumed on this matter. It is a very simple question. All we want is the absolute protection of the interests of the people, and that is all this amendment asks. Why the Government should not accept it without any hesitation is something that I cannot comprehend.

Hon. ARTHUR MEIGHEN (Secretary of State): Mr. Speaker, I would have risen immediately my right hon. friend the leader of the Opposition (Sir Wilfrid Laurier) sat down but I was not able to collect the references in time. I wish, with much respect, to say a few words in reply to his remarks, and also in reply to the remarks of my hon. friend from North Oxford (Mr. Nesbitt).

It is some time since I have heard the right hon. gentleman endeavour to reconcile the various positions he takes on any question. That was a custom of his in earlier days, but lately he has given it up. I freely acknowledge that when he does so

undertake no one can excel him at the task. He delivered this afternoon a very skilful, and indeed very able, effort in endeavouring to show that the position to which he commits his party to-day is not exactly the opposite of that to which he committed the same party three years ago. The line he takes is this, he says: Three years ago you introduced legislation providing for the event of default; a bankrupt company approached Parliament and said: We cannot proceed without the assistance of this House; Parliament acquiesced in the request, and provided for only one event, provided for the event of default in later days on the part of the company, and provided that should such default take place, then we could foreclose the equity of redemption and it should become our property. He then went on to argue that we did not provide for the event of success, and that the purpose of his amendment to the third reading of the Bill at that time was to take care of that contingency and to see to it that, should the road succeed as a result of the assistance given, Parliament should have the right to take the property as the property of the people and to go in for Government ownership of a successful road. I wish first to aver that both his positions are incorrect. His statement is not a correct statement of what Parliament provided in the event of default, and his statement that the policy of the Opposition was to cover the contingency of success is likewise incorrect. We did provide for the event of default, and the provision for the event of default was not that, should default come, the equity of redemption should be, without conditions, foreclosed. Why did the right hon. leader of the Opposition (Sir Wilfrid Laurier) leave out the whole terms of section 24? We provided that if default should come Parliament should fix the terms and conditions, if any, upon which the equity of redemption should be valued. Now what is the meaning of "fix terms and conditions" if, under no circumstances, terms and conditions were to be fixed? The leader of the Opposition said they were satisfied with that clause. Now will you tell me what was the meaning of Parliament saying that terms and conditions would be fixed if, under no circumstances, terms and conditions should be fixed? He was satisfied with the clause, virtually assuming that there could be circumstances following default under which it would be proper to fix terms and conditions. Now, I ask, under what circumstances could it be proper to fix terms and conditions following default, if not under the very circumstances of to-day? We have been through three years of war. The difficulties the company is in to-day are difficulties that arose very largely from the war. I do not suppose their earnings have diminished by reason of the war, except that it has been impossible for them to complete their line owing to financial difficulties, and they have so not been able to get their full earnings. They have not been able to link up with Montreal or to get money out of securities which we have guaranteed. They have fallen short by many millions of dollars. Abnormal conditions have arisen so that the position to-day is surely exactly the condition upon which terms and conditions should be fixed and under which drastic measures should not be adopted, if there could be conditions in which drastic measures should be adopted. It is true there might be conditions under which we should fix those conditions. Those were referred to by the Prime Minister in one of his earlier addresses, namely where it was admitted that there was no equity of redemption to be valued, and, in the latter part of my right hon. friend's address, he himself admitted that if there was a real, substantial equity of redemption there, he himself would not confiscate it even now. Therefore it becomes a question: is there a real equity of redemption or is there not?

I said a moment ago that the leader of the Opposition was wrong as well when he intimated to Parliament that the purpose of his amendment to the Third Reading of the legislation of 1914 was to provide for the contingency of the road succeeding, to enable Parliament and the country to take over and operate a road that was successful in the hands of a private company. The right hon. leader of the Opposition was careful. It took him some days to think this reconciliation out. He was careful to read his amendment, and he was careful to read clause 24, but he was not so careful to read his own speech of that date. If he will read his speech he will find that the purpose of his amendment was not to provide for the road succeeding at all, but to provide another method of government ownership should the road fail. He laid down in his speech in the most explicit terms that for a successful road he would have nothing to do with government ownership. He was against it if a private company could succeed with the road. He wanted government ownership only if they had to keep coming back to Parliament for

further assistance. At page 4634 of the Hansard of 1914 the right hon. gentleman said:

But I have nothing to disclaim of what I said on that occasion.

That is on some previous occasion when he opposed government ownership.

Or upon any other occasion—that I never was favourable to the operation of railways by the Government. I do not say that there are not some countries more settled than we are in which this might not be a good policy. I did not say that this was a policy which might not be a good one in a country that is much more settled than ours; but in a new country such as this I thought that operation by company was preferable to operation by Government. Such was my view. I expressed it with perfect frankness and honesty to Parliament and the country at that time. With reference to the Transcontinental railway, in a country such as this, as between government operation and company operation, I favoured operation by a company.

Then later on he said:

I am not enamoured any more of government ownership than before, but if we have to make a choice to-day, and if the choice we have to make is between pouring more money into the coffers of the Canadian Northern Railway Company and the Government getting control of the road, I would rather get control of the road for the benefit and profit of the people of Canada. That is the view that I have to present to the House on the present occasion.

Sir WILFRID LAURIER: Hear, hear.

Mr. MEIGHEN: So that he was not providing at all for the contingency of success, he was providing for the contingency of failure, and he said: If we have to keep on pouring more money into the road, let us not do it, but if a private company can succeed with it I am in favour of a private company keeping it, and not the Government of Canada. He was even more explicit on a previous day when he said:

If we could have had some assurance that this is the last call, and that they will not come back knocking at our doors again, there might be some reason to treat them as they request.

That is the way the Bill was.

But we cannot have any such assurance. On the contrary, I think it is a matter of absolute certainty that, in view of the figures placed before us, in view of the undertaking which they have to carry out and of the conditions, they cannot complete that enterprise with the assistance of the $45,000,000 that is to be voted by this Parliament.

A matter of absolute certainty; he foresaw the failure of the road, and its coming back to Parliament again.

Therefore, he says, some new position has to be taken, and he proceeds to argue what the position should be. He refers to the previous amendment moved by the hon. member for St. John and he said that amendment had two features; first to reduce the stock, and second to provide for taking over the road. He said the first was of no importance, and he put it aside, and he dealt with the provision for taking over the road, because, as he said, with the $45,000,000 assistance, in his judgment it was an absolute certainty the company would come back again. How is it then that he can argue to-day that in 1914 he had in mind the successful operation of the road, and that such was the contingency he was providing for by his amendment. It was the very opposite he was providing for, as expressed by his own words. He says again: I never, while I was in power, as Premier of Canada, confiscated the property of any man. I would not do so to-day. But he tells us that we are taking the property which has liabilities to the extent of $30,000,000 greater than its assets. Upon what can this Parliament assume, on any principle of equity or honour, that that road which we are taking over has $30,000,000 of liabilities more than its assets. Did he ever while he was Prime Minister of Canada take the ex parte report of a commission, before whom the other party was never heard to determine the valuation of property this country expropriated? He never did. He provided for the Trancontinental railway. He expropriated property all the way between coast and coast; he expropriated the property of Mackenzie and Mann, on the flats of the city of Winnipeg, amounting to almost $1,000,000, He did not provide in that case that, if Parliament was not satisfied with the determination of the courts of the land, the Supreme Court, being the final arbiter, Parliament should review and override, and act as a court of appeal over the Supreme Court. He never expropriated the property of any one while he was Prime Minister, unless on the report of a judicial tribunal, before whom the interested parties could be heard. Why does he now suggest doing the contrary? Why does he assume that, because the Drayton-Acworth report came to a conclusion without hearing the other party at all—a purely ex parte report—there was not surplus of assets over liabilities, and consequently that Parliament should assume there was not. If there is no surplus of assets over liabilities, we will have nothing to pay. All we ask Parliament to declare is that a properly constituted tribunal shall try the case, and if we are taking the property with $30,-

000,000 more liabilities than assets, that tribunal will so find. We are only asking Parliament to establish a tribunal before whom the parties can be heard, and the tribunal will determine whether or not the stock which we are taking, which represents the equity of redemption, has or has not a real substantial value. If it has no value they will so find, and if it has a value they will fix it. The ultimate tribunal under the Bill is the same as the ultimate tribunal under the Expropriation Act; it is the Supreme Court of Canada.

We have confidence in the tribunal to which we are going to appeal, and we will be bound by the decision of that tribunal. Referring to the remarks of the hon. member for Oxford (Mr. Nesbitt): It is true that the Parliament of Canada is the high court of the nation,but the functions of the Parliament of Canada are not judicial functions, they are legislative. When judicial functions are to be exercised, we establish tribunals and delegate to them judicial functions. We do so by this Bill, and we utilize the Supreme Court of this country, which is the ultimate tribunal in judicial dispute. If any wrong principle has been adopted, if anything is cited as a fact which is against the weight of evidence, it all comes before the Supreme Court of Canada, and they exercise their judgment in appeal over the tribunal of just such men as the hon. member for Oxford (Mr. Nesbitt) thinks are best qualified to establish values. Now, then, where is the reason in this case to establish Parliament as a court of appeal over the Supreme Court, that did not exist in every other case of expropriation that we have ever heard of? If we are to make Parliament a court of appeal over the Supreme Court in this case, why do we not do it in proceedings under the Expropriation Act? Why not do it under every Act under which we expropriate? Why discriminate in this case? Is there any more reason to distrust the arbitrators and the Supreme Court of Canada, which reviews their findings, in the present case than in any other case? Why should they be deemed incompetent? Why should they be corrupt here, if they are not corrupt in other cases? Why should Parliament presume to assume judicial functions here, when they do not presume to assume such functions in any other case that has ever come before them.

Mr. PARDEE: It appears to me that the hon. Secretary of State (Mr. Meighen), who has just finished replying to the hon. leader of the Opposition (Sir Wilfrid Laurier), has taken the most extraordinary ground. We have seen a good many political somersaults turned in one way or another, but surely the Secretary of State does not think he can cover up his own somersault, in the case of the Canadian Northern Bill now before the House and the Canadian Northern legislation of 1914, by simply saying in an offhand way that he has seen the leader of the Opposition try to justify himself many times, but never so unsuccessfully as to-day. Let me quote his own words. He said: It is some time since the hon. leader of the Opposition attempted to justify his various positions.

Well, surely, even from the Secretary of State's own argument, the leader of the Opposition has not taken any more positions on the Canadian Northern railway question than have the Secretary of State (Mr. Meighen) and the hon. Minister of Finance (Sir Thomas White). And may I add here, in parenthesis, the last part of the argument of the Secretary of State implies that he has practically no faith in the commission appointed to make the Drayton-Acworth report. He asks: Is it right, or would anybody think of taking the obiter dictum of two or three men who are appointed, without having the right to go to some higher place, to have it confirmed or otherwise?

If the Secretary of State says that to-day I ask him: did he at the time, or did the Government at the time they appointed that commission, have faith that the Government would act on the report of the Drayton-Acworth Commission? If they did, why not take that course? If they did not, why does the Government not tell us candidly that the Drayton-Acworth-Smith Commission started out on a fishing expedition, to see what they could find, and that the Government was going to consider their attitude after the commission reported. The Secretary of State makes a strong argument in his own mind, and refers to section 24 of the Act of 1914, which says:

> If authorized by the Parliament of Canada the Governor in Council may, on such terms and conditions as Parliament may prescribe,—

And then he goes on to argue that the terms and conditions to-day are extraordinary in regard to the taking over of this road by the Government. I think the House and the country will agree with me that the terms and conditions of the taking over of this road at the present time are most extraordinary—extraordinary in view

of the legislation of 1914, which expressly provided in section 24 that, if further default were made, the Government would have the right to take over that equity of redemption by foreclosure, and close the whole transaction, and thus the people of the country would become the owners of that road.

The Secretary of State and the Minister of Finance tell us that it would not be right for the Government to take over the road without paying the company for the equity of redemption. How in Heaven's name they can say that, when their own commissioners have told them that the liabilities against the road are greater than its assets, I do not know. Where is the equity of redemption? There is nothing there to arbitrate about, absolutely nothing.

The whole trend of section 24 leads us to one conclusion, and one conclusion only, and that is that the understanding in 1914 between Mackenzie and Mann and the Government was this: Mackenzie and Mann said: "Give us $45,000,000. Throw around the advance whatever safeguards you like, we don't care how drastic they may be. This $45,000,000 will tide us over and put us on our feet. We shall never have to come back to Parliament for assistance again, and consequently we will enter into this hard and fast bargain; that if we do come back to Parliament for assistance you may, willy nilly, take over the road under section 24." That was the understanding when the legislation was passed in 1914. The Finance Minister said in his heart at that time: "Here we are at the end of this long Canadian Northern haul. We will make no two bites at a cherry, but will give them $45,000,000 now, and if they ever come back again we will off with their heads without a word." The Finance Minister gave credit for the framing of that Act to the Solicitor General (Mr. Meighen) who was its father. The Finance Minister, speaking of that Act, said:

> What security have we? I have seen a good deal of financing in my time, and I know something of law although my hon. friend from Pictou (Mr. Macdonald) does not think so, and I want to say this: I have never seen as effectual a means of entering into possession of a property upon which a mortgage is held as has been devised by the Solicitor General in connection with this transaction.

The Act was the Solicitor General's baby, and he was proud of it then.

Sir WILFRID LAURIER: He repudiates his child to-day.

Mr. PARDEE: To-day he wishes it had another parent.

Sir THOMAS WHITE: You are not going to "take off my hat."

Mr. PARDEE: No, that paragraph has been quoted so often that the minister will be completely bald if his hat is taken off any more. You can't get away from the fact that that statement of the Minister of Finance was to be read into section 24, and he thereby said: "The Government through its able Solicitor General has so surrounded this agreement with safeguards that in case of default the people of this country, if they desire, can take over the road without the payment of another single copper." Again, in 1914, the Minister of Finance said:

> I was dealing with the question of remedy upon default, and was pointing out that we have a much better control than would be afforded by the security of a majority or all the stock of the Canadian Northern.

He was again referring to section 24, the section upon which the Government was going to act. If at no other time, the minister, in those very words, which appear in Hansard, notified Mackenzie and Mann then and there that that was the intention of the Government. I submit that when a contract has been entered into in good faith betwen two parties and when neither party will be prejudiced by the carrying out of the contract, after full notice has been given and under conditions which make chicanery absolutely impossible, there is only one thing to do—more especially in this case where the contract is not between private individuals, for the Government are acting for the people of the whole Dominion of Canada and have no right to change the terms of the contract entered into between the people and Mackenzie and Mann—and that is to carry out the contract.

To my mind there is no justification whatever for this Bill. I am always willing to do the fair thing. I am always willing to see money paid by a private individual or by a government for money's worth. But when somebody tells me that in this case we are confiscating property in which Mackenzie and Mann have an equity of redemption, in view of the fact that the Government's commissioners have said that the liabilities against the road are greater than its assets, I want somebody to tell me where this mythical equity of redemption is and why the people of Canada should pay a single dollar for it.

Besides all that, I believe the people of this country think that Mackenzie and Mann have done moderately well out of

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the Dominion of Canada and its component parts. Gather into one big pail what Mackenzie and Mann have milked from our different municipalities, counties, and provinces, and from the Dominion as a whole, and I do not think there is a man in this House who would not say that Mackenzie and Mann have received from the people of Canada everything to which they are entitled. They have not been able to make the road a success. That is unfortunate for them, but it is not our fault; and they have no right, simply because interested persons desire this Government to do certain things in regard to the stock, to ask this Parliament to pay for stock that is absolutely worthless.

In conclusion, I wish to say a few words as to the Government passing this measure by applying the closure. Outside of the war this is perhaps the biggest question which the people of Canada have ever had to consider. A question involving the assuming of liabilities to the amount of $600,000,000 will surely stand all the light of day and all the consideration hon. members of this House can give it. This measure, until closure was applied, had been under discussion for about eight days only, and I say eight days is none too much for this House to consider a transaction involving an increase in our national debt to an amount never dreamed of by any person in this country. The Secretary of State, discussing the amendment of the hon. member for St. John, asks whether the right hon. leader of the Opposition had ever asked Parliament to ratify the purchase of a property involving an expenditure of $1,000,000 in Winnipeg, or some other amount somewhere else. I ask you, Sir, whether this transaction involving hundreds of millions of dollars is on an equal footing with million-dollar transactions that took place under the right hon. leader of the Opposition? It is a horse of entirely different colour. You cannot treat the two things alike.

Perhaps the principle is the same, but the principle is absolutely swallowed up in the enormous sum of money for which the people of Canada will become liable in this case. Therefore, I say that, so far as foreclosure is concerned, the Government seem to be in an extraordinarily great hurry to rush the measure through this House without having given all the information which we on this side desire, and to put it upon the statute book before the light of day has been properly turned upon it.

[Mr. Pardee.]

Mr. PACAUD (Megantic): I want to avail myself of this last opportunity in order to protest strenuously against this unfair measure which a moribund Government are endeavouring to force upon the people of this country.

I will say further that their attitude is not based upon any fair or reasonable ground, and had we not been used for six years to this regime always prone to offend common sense, we would have much more cause to wonder now.

The discussion raised by the Bill submitted by the Government has thrown a new light upon certain clear, plain and concrete facts, which have served as a justification for the strenuous opposition of hon. members, from this side of the House and have enabled us to understand the resentment of the people in presence of the sad exhibition the Government are making of themselves. In fact, it is hardly conceivable that such a measure as we are now debating could have been laid before this Parliament.

This measure is invidious and iniquitous. Indeed what does the Government proposal amount to? It is intended to acquire the stock of the Canadian Northern now in the hands of holders so that the country may own this stock and in order to have those shares valued, to make out the amount the Canadian people shall be called upon to pay to Mackenzie and Mann and their confederates, it is intended to appoint arbitrators who shall determine without appeal the amount we shall have to put up in this transaction. Upon their award, without any interference from this Parliament, the present Government shall pay unscrupulously, unhesitatingly out of the public treasury to a few favourites of this regime a sum amounting to $60,000,000 in their estimation.

The members on this side of the House recriminated. They shall protest to the last. They say to the Government: You have the unquestionable right to get hold of this stock, to lay your hands upon that railway and the holders cannot claim a cent. Consequently, it is useless to appoint arbitrators for making the valuation of the stock, and when we consider that in this transaction we are assuming an indebtedness of $400,000,000, evidently the contention of the Government that, in so doing, they would unjustly confiscate private property, is an absurd contention which is not worth considering.

Mr. Speaker, our proposal is unassailable. We are confronted by a contract which

clearly provides under section 24 that should the Canadian Northern make default in paying the interest on the sums then granted by this Government—and nobody would deny that that contingency has materialized long ago and that the company has actually defaulted—the Government would be ipso facto entitled to get hold of that stock and to lay their hands upon that railway, without any special process of law and without being bound to pay a cent to anybody for this stock.

Section 22 of that Act throws still more vivid light upon the intentions of the Government and shows that they intended to provide against that default on the part of the company, by pointing out the means the Government should resort to in order to operate the railway in case the contingencies anticipated by article 24 came to pass.

To-day, Mr. Speaker, the anticipations of the Government in 1914 have materialized. The Canadian Northern company have defaulted and relying upon that statute, we say to the Government: do not thus throw away $60,000,000 of the people's money; do not be so generous with the funds of others so as to favour a few millionaires from Toronto.

We are not alone to take that position. The opposition to this measure is not confined to the opponents of the Government.

We have seen influential financiers of the city of Montreal most strongly protesting against this Government proposal. We have had the opportunity of reading their protest which has been published by several newpapers of this country. These gentlemen are friends of the Government. But before being partisans, they are enlightened and well informed citizens who before all wish to save the country from the hands of those who seem intent, cost what it will, to push it into ruin and bankruptcy. These gentlemen have read this Act of 1914, and to add to this rather conclusive evidence, they remembered the Drayton-Acworth report which states that the Canadian Northern stock has no actual value. Nevertheless, and in spite of all that, the Government who preach economy to the people without ever practising it themselves, dare throw this 1914 Act to the wastebasket and, in order to again favour Messrs. Mann et al who have by their millions put the hon. gentlemen into power, conceive the odious design of saddling once more the people—and that, without any necessity—with a new burden of $60,000,000. Mr. Speaker, in times of peace such a policy would have been a blunder, but in war times, it is a crime.

Do we realize, Mr. Speaker, what that transaction is going to cost to the country? The member for Pictou (Mr. Macdonald) has given us fabulous figures, almost incredible figures. This railroad acquisition will cost us $650,000,000, and our national debt, with this amount added to it, now reaches a total of $2,250,000,000. The meaning and the scope of these figures may be better understood, when we recall the fact that this war is costing us presently almost $1,000,000 per day.

Do you not think, Mr. Speaker, that the people of this country are now sufficiently taxed by the ever-increasing expenses of the war without adding to them this new burden? Why not follow the system adopted by the United States and put the Canadian Northern in the hands of a receiver? That policy has been a success in the United States, why should it not succeed in Canada? Whatever be the case, let us consider the fact that, for the past three years, this Government has stated before this House and before the country, that our only preoccupation should be to win the war. The people have not recriminated; they have borne the tax without a murmur, even though the indirect tax is being increased and the direct tax imposed. The Government are preaching economy to the people, should they not set the example, should they not practise what they preach unto others? Do they pretend that, by taking $650,000,000 to buy a railroad they will thereby make our participation to the war more effective? Our national credit, Mr. Speaker, is affected by this legislation.

Quite recently we borrowed in the United States the sum of $100,000,000 and we had to pay over 8 per cent interest on that amount. Our credit, therefore, is not what it used to be. If we mean to take an active and really efficient participation in this war, we must above all keep our credit in good shape. Please tell me, Mr. Speaker, when this proposal shall be known abroad, in all its details, when our bankers shall have weighed and analyzed what the Government are doing and intend to do, will they be very anxious to lend more money to this Government, and if they do so, what kind of a rate will they demand?

The members of this House are asked to endorse and approve, on behalf of the people, a measure without knowing the

exact amount of the liabilities we are to assume without any precise knowledge of the actual assets we will have in hand, without any idea of the sum we are to pay nor the party to whom we shall pay it.

Not only, Mr. Speaker, do these gentlemen of the Government refuse us the information we are entitled to, but through a more arbitrary, more autocratic proceeding, a real Tory process as it were, they prefer to impose upon us, and for a second time their gag rule. We were debarred from expressing our views in 1913, when we wanted to save $35,000,000 for the people. We are again throttled in 1917, when we want to save the people a trifle of $60,000,000. That procedure is the Government's favourite weapon. Unable to give us any answer, they take away from us even the right to freely discuss a measure of so great an importance to the people.

That method now adopted by the Government may solve the difficulties which appear to them insuperable. It will certainly not satisfy the people. It will not alleviate the uneasiness and the doubt which this measure will have sown in the public mind. I moreover maintain that this Government has no authority to pass such a measure. This Parliament does no longer represent public opinion. Last year we have extended the existence of this Parliament, but we did so, upon the formal promise given by the Prime Minister that no contentious measure should be submitted to our consideration by the Government. It is true that the Premier has already broken that pledge, when he has imposed upon both Parliament and the country the compulsory Military Service Act.

I did protest then and do protest again to-day, on those very grounds stated by myself in this House for opposing this measure which is just as unpopular and just as nefarious as the one under discussion at that time.

Mr. Speaker, we did not extend the term of this Parliament in order to facilitate the squandering of public money. Why should the amendment introduced by the hon. member for St. John (Mr. Pugsley) not be accepted? If we have to put up with arbitration, in the name of what principle do you mean to deprive the representatives of the people of this country in this Parliament of their right to revise the report of these arbitrators to discuss their findings and to weigh the grounds on which they base their findings? Those gentlemen sitting on the board of arbitration may be actuated by the best intentions, but they are lacking the proper authority when it comes to the expenditure of public money, and they also lack an essential qualification as they do not represent the people. The people's representatives are here; they sit in this Parliament. They have to decide in the last resort. It is their business to say whether any amount should be paid out or not and, in the affirmative, what amount should be so paid. This is a fair position but the Government will not take it. When we rise in this House to remind them of all those deficiencies in the Act and ask them to make more definite statements and give us the information they have or should have the only answer they give, relying upon their majority, is to resort to the closure rule.

We are the minority in this House we yield to might and numbers. However, we are in hopes of better days, knowing that the country is with us; and we know the people will not fail to avenge our cause.

Mr. W. F. CARROLL (Cape Breton, South): There are a few observations I wish to make upon the legislation now before the House. I shall be as brief as possible. The Canadian Northern Railway Company has been a source of discussion in this House for the past eight or ten years, and since my advent to Parliament I have found that on several occasions the Canadian Northern people have come to the Government for financial assistance. In the session of 1914 the Government practically gave $45,000,000 to the company to help them out of their then financial straits. If the Government did not actually hand over the money to the company, it recommended their bonds to the public, and endorsed and guaranteed those bonds. Under that legislation the Governor in Council through action taken by this Parliament was entitled to foreclose the mortgage in the event of default. At another session since 1914, the same Canadian Northern railway came to this Government and got over $15,000,000 of the money of the people of Canada, notwithstanding the fact that they had defaulted their mortgage and the Government was entitled to foreclose that mortgage under the statutory agreement of 1914. The handing over of this $15,000,000 did not look to me as good business, in view of the fact that the Canadian Northern railway were then in default as regards their agreement of 1914. Matters are a good deal worse to-day. It was not good business for us to give $15,000,000 since 1914 to the Canadian Northern, in view of the statute of 1914, and it

is still worse business for this Government to place now before arbitrators the question as to whether or not Mackenzie and Mann have any equity in this road. If any hon. gentleman in this Chamber held a mortgage of $10,000 on property which is worth, say, $50,000, and set a limit within which the money must be paid over with interest, if the terms of the mortgage are not met, it is his right as a business man to foreclose the mortgage and put the property up for sale, and if there is any equity left—if the property sells for more than the amount of the mortgage plus interest and expenses, the difference is handed over to the mortgagor. That is the way business is conducted in this country, and that is a sound business method.

Mr. MORPHY: Will the hon. gentleman permit me? If 9,000 miles of a railway system like the Canadian Northern were put up for sale at the present time, where would my hon. friend get his purchaser?

Mr. CARROLL: It does not make any difference whether this year is a year of stress, or whether last year was a year of stress, or whether the year in which the Canadian Northern railway made default under the statute of 1914 was a year of stress. We have not any law prohibiting us from foreclosing mortgages.

Mr. MORPHY: But where would the hon. gentleman get a purchaser?

Mr. CARROLL: Let the Government purchase under the statute. I daresay there would be competition in the purchasing of the road. There are railway institutions in this country which would run the road up to at least the value of its construction and equipment at the time of the sale. However, that is not the question. When the Canadian Northern railway came to this Parliament in 1914 for assistance they agreed to the terms of the statute of 1914, and it would be good business for this Government to foreclose that mortgage on default. Instead of doing that, the Government handed out $15,000,000 more of the people's money, and now they are placing the matter in the hands of arbitrators to say whether or not there is any equity. That is not the way business is carried on in this country in regard to mortgages, and my contention is that the Government should follow the course followed by ordinary business men in dealing with mortgages or securities. What are the arbitrators going to arbitrate? Last year this Government appointed a commission known as the Drayton-Acworth Commission to report on the general standing of our Canadian railways. This commission made a report, and made certain recommendations. The Prime Minister told us last night that the Government was following the recommendations of the Drayton-Acworth report in many instances. There is, however, one particular instance in which that report is not being followed. I think I am correct in saying that the Drayton-Acworth Commission found that the $60,000,000 of stock held by Mackenzie, Mann and Company, and pledged with certain financial institutions, was absolutely worthless. The Government is not following the finding of the Drayton-Acworth Commission in this respect, and there is no reason given as to why it is not being followed. The commission reported that the stock was worthless, yet we are now to appoint arbitrators, who will cost this country a considerable amount of money, and the question which is to be put to those arbitrators is, how much is this $60,000,000 of stock worth, and have Mackenzie, Mann and Company any equity in the road? I do not see why the Government is willing to follow the Drayton-Acworth report in one or two or three instances, and not follow it right through. If they follow it in some instances, but not in others, I think the amendment which was moved last evening by the hon. member for St. John should have received more consideration than it did from the Government. The chairman of the arbitrating committee is a gentleman of whom I know nothing, except that he is Chief Justice of the Supreme Court of Ontario. I have not a word to say against him, but I do not think he is a gentleman who would be likely to know very much about the finances of railways, the cost of railway construction, or the various other questions that will arise in this arbitration. I consider if we wanted to give Mackenzie, Mann and Company a fair deal—and that is the proposition put forth by the Government—a committee of this House, consisting of men who have been interested in railways, railway finances and railway construction for a number of years, would be the best arbitrators to deal with the matter. If I were called upon to appoint a board of arbitrators, I would name the hon. member for Calgary (Mr. R. B. Bennett) as chairman of the board. He has been interested for many years in railway legislation and railway finances, and to a large extent in railway construction. I am not saying

this with the idea of paying a compliment to the hon. gentleman, but I say in all sincerity that this is a question to be dealt with by the people of Canada, through their representatives, and it should not be turned over to a tribunal in regard to which they have nothing to say, and which is in no way responsible to the people.

Much has been said as to public ownership. There are hon. members on both sides of the House who are opposed to the Government ownership of public utilities. I take the ground that if this country is going to acquire the ownership of railways and operate them as public utilities it should take over every line of railway and operate it. I do not believe that the Government should compete in railway operation with private concerns. We know instances in which the public ownership of utilities has worked out very well. In the western states almost all the public utilities are owned and controlled by civic government. In Saskatoon, in Edmonton, and I am not sure about Calgary, the street railways are owned, controlled and operated by the civic corporations. They do not allow private concerns to compete with them. The same is true in the East as regards waterworks, lighting utilities and all that. In most of our eastern cities and towns they are owned and controlled by the civic authorities. But, the authorities in each town have complete control of utilities in that town. Our civic authorities are making a success of public ownership. There is no competition. There are no companies operating gas works, waterworks and street railways in these towns and cities. The principle underlying government ownership is that if a civic, provincial or federal government undertakes to own, control and operate public utilities, it should own, operate and control every bit of those public utilities within its jurisdiction. I think that is a sound principle and that is the principle underlying the Government ownership of public utilities.

There is another reason why I oppose the passage of this Bill. On the 7th October, 1916, the term of Parliament was extended by unanimous consent for one year. While nothing was said as to the kind of legislation that should be introduced, after the extension was granted, the principal reason why the extension was given was that this country could more readily carry on the big undertaking that was in everybody's mind at that time—the war. It was well understood, although it was not expressed and did not form a part of the Bill, that there should be no contentious legislation introduced while the term of this Parliament was extended. I am not urging that this Parliament has not the right to pass any legislation coming within its federal jurisdiction. It has power to pass this legislation just the same as it would have had in 1912 or 1913. But, in view of the fact that the extension was given wholly and solely for the purpose of enabling the people to concentrate their minds and energies on the winning of the war, the question of public ownership, which is really involved in this legislation, should not be brought before this House, contentious as it is, and should certainly not be put through by means of the closure.

Mr. J. E. ARMSTRONG: What is the nature of the legislation which the hon. gentleman would propose in place of the legislation that is now before the House?

Mr. CARROLL: I have already outlined that fairly well. I said in the first place that if anything were needed to be done in a hurry we have the method provided by our statute of 1914. But there is not so much hurry with regard to this matter but that it could wait and be made an issue in the election which will no doubt come within a very short time. I do not think there is such need for haste at the present time as to make it necessary to put it through a Parliament that was extended only for the purpose of winning the war. But, I was going to deal with the question of putting this Bill through Parliament by the closure. There is no doubt in the world as to the power of the Government to do so. But the Government are doing a thing which will rebound as a stone rebounds and hurt them for the remainder of their lives.

Mr. GRAHAM: Their lives will be short.

Mr. CARROLL: My hon. friend says that their lives will be short. I hope he means their political lives because I have no reason to hope that any hon. gentleman on the other side of the House will not live to the good old age of a hundred. The conscription measure was brought down some time ago. I took a certain stand on that measure. The Government were in a hurry to pass the law. I would not have minded the Government putting into effect this gag, or closure, on the question of conscription having regard to what they said on that occasion, that they were in a hurry to get the Bill through, if the reason to get it through in a hurry was that our soldiers

at the front were in dire need of reserves. But in this case there is no reason why this question could not have remained in abeyance until after the election so that the question would be squarely put to the people as to whether or not the forthcoming government should introduce what I conceive to be the government ownership of our railways. I do not think the people will look upon this as a business proposition. I cannot conceive how they can. I know the Minister of Finance is a business man, everybody recognizes that fact, but I do not understand how he can justify himself before the people in extending not only relief to the Canadian Northern railway to the extent of $45,000,000 under the statute of 1914, then further aid to the extent of $15,000,000 and now in giving them an opportunity perhaps of getting $50,000,000 for stock which, according to the report of the Drayton-Acworth commission is not worth one dollar. Talk about confiscation! Hon. gentlemen say that if they foreclosed the mortgage, or brought into effect the statute of 1914, it would be confiscation. Is it any more confiscation than it would be if a man foreclosed a mortgage for $10,000 on a property worth $40,000? Do you not think that Mackenzie and Mann, or the Bank of Commerce, or the other financial interests who are behind this company, would get ample justice if they were to go to the Canadian Pacific Railway and get the Canadian Pacific Railway to place a fair price on this road either through a sheriff's sale or the foreclosure of a mortgage.

It is done every day. Every business man in this country who loans money on property forecloses mortgages. The people know he has a right to do so; it is a business custom of this country; and no man will say that he is confiscating his neighbour's property because he forecloses under his mortgage. That neighbour goes into business, he takes his $10,000, and he knows when he signs the mortgage that if he does not pay under its terms it will likely be foreclosed. He knows also that he has a chance of redeeming that mortgage, that some friend may buy the property, and if there is anything over the $10,000 he hopes to get it.

I was going to say something with regard to the present operation of railways in England, but I shall not have time. There is one safeguard which I think should be placed in this legislation, and that is to have a definite provision that it is the value of this railway when Messrs. Mackenzie and Mann put their money into it or when it was completed that is to be determined. There is no doubt that the present legislation will have in some degree enhanced the value of the stock held by Messrs. Mackenzie and Mann, which has been declared valueless, and some provision should be placed in this Bill to guard against that. I think also that Mackenzie and Mann will attempt to prove to these arbitrators that if they put $10,000,000 into this road in 1914, the present value of that investment, owing to the enhanced cost of everything in the railway, will be at present $20,000,000; and that if they put in $60,000,000 it will be worth $120,000,000. I think there should be some safeguard in that respect.

Mr. LEVI THOMSON (Qu'Appelle): Mr. Speaker, I believe in government ownership, and I am in favour of this Government taking over the Canadian Northern railway. I voted for limitation of this discussion because I believe the country has heard all it wants to hear of this matter. I believe the people are convinced that Mackenzie and Mann have got all they deserve from the people of Canada, and very much more than they deserve, and if this House discusses this question for the next two or three months, you will not make any difference in the opinion of the people of Canada—they will still be convinced that Mackenzie and Mann have got all they deserve, and a great deal more than they deserve. Therefore, I will merely say I am in favour of the amendment under discussion and I shall vote for it.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. ARTHUR B. COPP (Westmorland): In a short statement made to the House just prior to recess, my hon. friend from Qu'Appelle (Mr. Levi Thomson) gave as a reason for supporting this measure that he was in favour of government ownership and operation of public utilities. He also gave as a reason for voting for the closure, as he did this afternoon, that the reputation of the Canadian Northern railway, or Mackenzie and Mann, was so nefarious that he thought it was a shame for the people to hear any more about it. I am opposed to this measure principally on the ground that I am opposed to government ownership. I am in a somewhat different position from many members of the House on this question, because it has not been my privilege, or good fortune or whatever it may be

termed, to have anything to do with the Canadian Northern legislation until this present occasion. I realize, as every honourable gentleman must realize, that this is one of the most serious and most important questions ever brought before Parliament, at least during my short period, and I believe I am not exaggerating when I say one of the most important in the fifty years of Confederation. I do not feel that I should be doing justice to myself and my constituency having listened to the arguments on either side, if I did not express my views. Realizing the importance of this question, I have taken occasion to read Hansard and the different statutes regarding this company passed by this Parliament, in order to work out in my own mind what my duty was and what the duty of Parliament was to the people in this matter. We must realize that we are face to face with a most unfortunate financial position in the Dominion of Canada. In spite of that fact, the Government brings before this House a measure which, judging from the figures given by hon. gentlemen who have addressed this House—the correctness of which figures I have no reason to doubt—will place an added burden on the people of Canada of upwards of $650,000,000. They proceed with this Bill, in spite of the fact that during the past three years we have been face to face with a great crisis in this country, and have been obliged to go to practically all the money markets of the world to which we can go to borrow money for the carrying on of the war.

It is, therefore, a serious step for Parliament to place this further burden upon the shoulders of the people. It has been said that we should not for one moment think of the suggestion that this railway system should go into the hands of a receiver, because it would ruin the credit of Canada. I do not assume to speak as an expert in matters of this kind, but I have taken occasion to read carefully a very informative address delivered in this Parliament before I had the pleasure of a seat in this Chamber, in 1914, by my hon. friend from Calgary (Mr. R. B. Bennett), who laid before this House and this country a statement of facts which, if true—and I have no reason to doubt the truth of the statement made at that time—must cause us all to consider seriously what is the duty of Parliament at the present time. That address was followed by another address, by the hon. member from Kingston (Mr. Nickle), who also took a very strong ground against the operation of this railway by the Government, declaring that it was absolutely unbusinesslike in every way for this Parliament to assume further responsibility in regard to the financing of this corporation. I may be asked what I think of the proposal to operate this railway under government control, and those who ask the question may well point to remarks I have made in this House and elsewhere in regard to the operation of the Intercolonial as a government railway. I claim that there is no fair comparison between the operation of the Intercolonial by the Government and the operation of this road, which has five or six times the mileage of the Intercolonial. At the time of Confederation, the building and operation of the Interclonial became a moral contract on the shoulders of any government managing the affairs of the Dominion. But I am not blind to the fact that there are very many strong arguments to be used against government operation, and I am aware that the Intercolonial itself is cited as a warning against that policy. I cannot but believe that the operation of the Canadian Northern Railway system, if undertaken by the Government, will impose a very great burden and a direct liability upon the people, first in the necessary assumption by the country of responsibility for the financing the system and second in the operation of the railway. Unless a very great improvement is made in regard to the influences that politicians may have in the operation, it will be very difficult, indeed, for the Government to conduct the business of that railway in such a way as to realize the glowing picture painted by the Prime Minister in his address last evening of what some people hope for as a result of this legislation. I have tried to obtain information by listening to the questions which have been asked of the Government, and I am bound to say that I have been unable to see any willingness on the part of the Government to give even very necessary information in regard to this very important measure.

Question after question has been put to the Minister of Finance to find out who is demanding this legislation, and who is to benefit by it, but he has given no good and sufficient reason why this measure should be crystallized into law at this session of Parliament. My hon. friend from Calgary made it quite clear in 1914 that the $100,000,000 of Canadian Northern stock in the hands of Mackenzie and Mann was absolutely without value, which statement was also

corroborated by the hon. member for Kingston; it was nothing but water, he said. Unless some adequate explanation is given by the Government, I say that the people of this country will view with deep-rooted suspicion the appointment of a Board of Arbitrators to determine the value of this stock. They will suspect that the Government have been urged to act by some interests behind Mackenzie and Mann, who have money invested in this great enterprise.

Why should the minister feel it necessary to introduce the closure at this early stage of the discussion, to press this measure through Parliament? My experience in this House has not been long enough for me to say just how long discussion should proceed on a measure of this magnitude before closure can properly be applied, if indeed, it is proper to apply it at any time. It has been applied only once before in this House, and that was on the Naval Bill introduced by the present Government. I have taken occasion during the last few minutes to look through Hansard, and I can see that this Canadian Northern railway measure was discussed in the House on eight separate days before closure was applied. The resolution was introduced on August 7, when it was discussed for three and a half hours. On the 8th of August the resolution was again under consideration for four and a half hours. Then the first reading was given to the Bill, and on the 14th of August the second reading was moved, and five hours was spent in discussion that day. On the 15th the discussion lasted six and a half hours; on the 16th, when the Bill was given its second reading, two and a half hours. On the 17th the House went into committee on the Bill for two hours, on the 23rd for four hours, and on the 27th for seven hours, when notice was given that closure would be applied.

So that this measure, which the people of this country are vitally interested in, and on which they are anxious for information, was under discussion for only thirty-five hours before closure was applied and public discussion throttled, fully one-half of which time was occupied by Government speakers. Taking seven hours a day, only five days were allowed to hon. gentlemen to discuss this very important measure. Then closure was applied, and it was impossible for the people of this country to get the information they were seeking with regard to this transaction.

In his memorable speech in 1914, the hon. member for Calgary not only gave us a great deal of information, but prophesied what would happen in the future, and many of his prophecies are coming true. For one thing, he said it would not be very long before this company would be back again asking Parliament for aid. Let me read what he said in this connection:

> I appeal to every man in this House and say that if he will take the time to read the history of the operations of Mackenzie and Mann from that time till now, he will find nothing but a long trail of parliamentary corruption, of lobbying, of degradation of parliamentary institutions, of the lowering of the morale of public life, and the degrading of those standards by which public life should be truly measured. Both sides of the House have been to blame. Look to the statute books for the aid that has been given to this company.

Mark what follows:

> Just a few days before a general election, one party proposes and the other acquiesces. They are bound to ask a few questions in order that the contribution to party funds may be large enough.

The hon. member for Calgary says that just a few days before a general election, when each party thought the contributions to party funds were large enough, it was the custom to press railway legislation through Parliament. My hon. friend accused the Opposition of that day of making a feint at opposition and then letting the legislation slip through. What does he think to-day, when he sees the gag being applied because the Opposition are determined to expose this nefarious proposition to the people?

My time is nearly up, and I must conclude. I maintain that the legislation of 1914 gave Parliament ample authority to take over the Canadian Northern in case of default, without paying Mackenzie and Mann or any interests behind them a single dollar, and I say that if the Government want to take over this road they should do so by means of the provisions of the law of 1914. What did the Minister of Finance say at that time, when he not only took off his hat to the Solicitor General, but turned round and looked behind him and said: "Wonder of wonders! Oh, Lord, where did I find him?"

He told the people then that the Government were carefully safeguarding their interests. If his words meant anything, they meant that if the Canadian Northern Railway Company or any of its subsidiary companies defaulted the Government would take over the road. It is, therefore, only fair and right that the Government, as the trustees of the people of the country, should, when they are confronted with a proposition such as faces us at the present

time, look after the interests of the people and take over this road, irrespective of what Mackenzie and Mann may say, irrespective of what the Bank of Commerce may say, irrespective of what Sir Edmund Walker may say, irrespective of what any other gentlemen who are financially interested in the Canadian Northern Railway Company may say.

Mr. F. B. CARVELL (Carleton): Mr. Speaker, I made a few remarks on this question on the second reading, and since then I have taken no part in the discussion. I would not speak to-night were it not that some of my hon. friends opposite are apparently able to treat this matter with such extreme levity. When, as has been pointed out by my hon. friend from Westmorland (Mr. Copp), an exceedingly short time has been taken up in the discussion of this, the most important matter, excepting, of course, the war, that has come up before Parliament in my experience. I feel that the Government are showing undue haste and great solicitude to get this measure through when they are applying the closure under the circumstances. The rules of the House are there, however, the Government have the right to invoke their aid if they see fit and we have nothing to do but submit.

I cannot do much more to-night than restate some of the opinions which I hold on this matter. After having listened to the discussion which has been going on now for some days, I am afraid that my views are not shared, in their entirety, by very many hon. members on either side of the House, although I am happy to say that some hon. members are seeing the light as I see it. What is better than that is that very much of the public thought in Canada, as expressed in the newspapers is in line with my views. If this amendment is carried, perhaps there may be some means of getting away from the unfortunate position into which we are drifting by the enacting of this legislation. We were told in 1914, as has been referred to in this House many times, that the advance of $45,000,000 would be the last contribution which we should have to make to the Canadian Northern. We were told that that would pay the bills and put that company on its feet financially, and that it would then take its place as one of the great transportation companies of Canada. We were told also that if they defaulted we had the power by this legislation, and that it would be the duty and pleasure of the Government, simply to foreclose the mortgage and take over the property. We would then own it, and that would be the end of the matter so far as the stockholders were concerned. But in 1916 they came back again, and we gave them another $15,000,000. They are now again in financial troubles. I for one do not feel that, under present financial conditions, with the enormous amount of money which we are compelled to borrow, with the importance of keeping the financial reputation of the country at as high a mark as possible, we can afford to allow these bonds to go by default. Perhaps very few people, outside of members of Parliament and other men who are giving this matter considerable attention, realize the difficult position in which we are placed. We are the guarantors of $104,000,000 and our mortgages are not the first but the second and, in some cases, the third or the fourth mortgage. Ahead of our mortgages come $107,000,000 of provincial guarantees which, in some cases, are first mortgages and, in some cases, second mortgages. Then again, ahead of all those mortgages and coterminous with the provincial guarantees, come something like $150,000,000 of mortgage bonds. There is no doubt in the world that, if any of those default, and if we want to protect our $104,000,000 of guarantees, we must pay the default of those mortgages that come ahead of ours. It is, therefore, a reasonable proposition that we cannot allow the Canadian Northern to default. We are compelled to see them through in some way, and the question naturally arises, what is the best way in which to see them through? About two or three weeks ago, I stated that my way of seeing them through would be by putting up the smallest possible amount absolutely necessary to pay the present bills and then seeing if they could not carry the matter on until after the war, when we should know exactly where we stood financially and be able to decide upon the best course to pursue. I am sorry to say that I have not heard many hon. members who have agreed with me; in fact, I do not know that any person has agreed with me. I know, however, that is a good financial proposition. I am satisfied that the present owners or operators of this road can carry this matter along much more cheaply than the Government can. I would not hand over to Mackenzie and Mann or to the Canadian Northern railway the money I propose to advance—it might be $18,000,000 or $20,000,000—but I would allow the Department of Finance to handle the money, and I would see that the concern were compelled to finance matters as carefully and prudently as they pos-

sibly could and that no more betterments than were absolutely needed should be provided. Many of us know—at least I know—what I can accomplish along that line when I am driven to retrench.

Mr. GRAHAM: Congratulations.

Mr. CARVELL: I have some friends who have managed to get along during that important period in their lives. But the Government are unwilling to carry out that proposition, although they admit that they are compelled to pay out the money just the same. Whether the sum be $20,000,000 or $22,000,000 or $25,000,000 that the Canadian Northern require, the Government agree that we must pay it. What is the difference between our advancing the money and taking over sufficient stock to give us control of the road, and advancing the same amount of money and taking over all the stock and becoming the owners of the road? If we could stop by paying the same amount of money, the matter would not be so bad, but when we become the owners of the road we are confronted with the curse of public ownership. I use a very strong term, but I use it intentionally and advisedly. While the Canadian Northern can get along for another year by paying, say, $20,000,000 of actual debts, the Government of this country, if they become the owners of the stock of the company, cannot get along with paying less than $40,000,000 or $50,000,000; I make the prophecy to-night that if this Bill goes through and the Government take over the Canadian Northern, we shall spend that amount of money during next year. We know we shall have to pay the debts in any case, and there will come enormous demands for improvements here and improvements there, more rolling stock and all sorts of things. This afternoon I was reading a return brought down regarding a small matter of public telephones in British Columbia. The first expenditure was the small amount of $4,000 or $5,000. That soon mounted up to $70,000 or $80,000, and we have in the Supplementary Estimates an appropriation for $50,000 or $75,000 more. The matter could not be otherwise. The very moment people in this country acquire a right to draw upon the public treasury for these public services they never know when to stop. My hon. friend from Westmorland (Mr. Copp) referring to the great speech delivered by the hon. member for Calgary (Mr. R. B. Bennett) three years ago, has pointed out exactly what will happen. Just before every election there is a great demand and money is paid out. The people may say: Well, you are painting a very dark picture; you are taking the ground that the Government of this country is not composed of responsible business men. I am not taking any such ground at all. I would trust the members of the present Government, or I would trust the members of any Government that might be formed, to look after these matters in a proper manner, if they were handling them as their own private business affairs. But when the public demand is pressed upon them, and there is a need for votes, and they are asked for money which is not their own money, they say: "Oh, well, this means so many votes, and it may carry a constituency; of course we have to surrender our ideas of business economy, and grant the money." We had an illustration one night last week: I watched this House vote, in less than an hour, $25,000,000 on capital account for the Intercolonial. It went through just as if it was in the ordinary course of business, and so it was. There has not been a session of Parliament since I have been here that we have not been voting from five million to seven or eight million dollars to carry on the Intercolonial. We are piling up million after million on the Intercolonial, and it is not much better to-day than it was ten years ago.

An hon. MEMBER: It is worse.

Mr. CARVELL: It is true, this year we have a surplus in the operation of the Intercolonial, but it is only a matter of accounts. They have been carrying on a system whereby one department charges up to another, and the result is a surplus—a book-keeping surplus. When the extraordinary business which has developed as a result of this war passes away, we shall come back again to our deficits. The idea of paying a dividend on the capital investment of the Intercolonial never dawned upon the mind of any one in Canada. It will be the same thing with the Canadian Northern. You will not only pay the interest, but you will pay the deficits. You will put in millions and tens of millions of dollars on capital account, and you will not get any better accommodation out of the road than you are getting at the present time; the people of Canada will not get any revenue out of it, and they will have to pay those enormous amounts of interest.

I do not know what actuated the minister in the beginning in taking the extraordinary course he has taken. There will be an arbitration as to the equity there may be in the

stock. But we all know there is no equity in the stock as it stands to-day. I do not say there would not be a prospective equity. Somehow or other I am rather inclined to think there might be in the future. I am rather inclined to think that if the road were allowed to remain in the hands of the men who built it, and if they were allowed to manage it as a business proposition, there might be an equity in it. At the same time, we cannot take it and pay them for something which has not been earned, because, remember, the moment the Government of Canada gets hold of it there is no equity in it, and there never can be anything in it except debt, and debt, and more debt, capital and still more capital. Many of my friends from Ontario and the West have been captivated by this public operation fad. I want to point out to them that it is the greatest farce and fallacy that ever was brought forward in any country. It is useless to talk about the Government operating railways, or telephones, or electric light systems, or anything else as cheaply and economically as they can be operated by private enterprise. Such a thing is not reasonable. Some of my friends from the West believe that if they can get this road operated by the Government, in some magic way they will get better service and better results. Possibly they think they may get a reduction of rates. No greater fallacy was ever held out to anybody. They cannot beat the roads down below what is a reasonable business basis. Remember, you have another railway there, and you cannot cut the rates down below what is fair. No government in Canada can operate a railway system in the West and make it pay with any lower rates than are being charged by the Canadian Pacific to-day. If the Government carried on the road for the next ten years at the same rates as the Canadian Pacific are charging to-day, instead of paying a ten per cent dividend as the Canadian Pacific is paying, it would go behind fifteen per cent or twenty per cent every year. No man knows this better than my hon. friend the Minister of Trade and Commerce (Sir George Foster) who has had the longest experience in this House, with one exception, and who has lived in the Maritime Provinces. He has seen all the bungling and all the mismanagement, he knows exactly the condition of affairs, and he knows that every word I say is the truth. I am rather surprised that he has sat here as long as he has without raising his voice in opposition to the scheme. Of course, he may have been overmastered and overpowered by his colleagues. I know enough about governments to know that when the majority come to a decision they compel the minority to follow their lead. I can only conclude by appealing to my hon. friend the Minister of Trade and Commerce to give his friends and colleagues the benefit of his experience, and try to prevent Canada from being drawn into a maelstrom of debt and mismanagement, as it inevitably must be by attempting to operate a great railway system under the control of the Government. I have only a minute more—

Mr. SPEAKER: The hon. member has five minutes more.

Mr. CARVELL: Arbitration has been spoken of. I would like to know what on earth you are going to arbitrate. You are appointing three gentlemen to arbitrate the equity of this stock. How are they going to get their information? I do not want to say anything personal, but I do feel that we are starting out under very, very unfavourable circumstances when we have Sir William Meredith representing the Government. I had six weeks' experience with that gentleman, and while I do not want to refer to him, I can only say he is the last man in Canada I would choose to represent me in an arbitration between the Canadian Northern railway and the country. In any event, what is he going to do? Where will he get his evidence? How much better evidence and how much different evidence can he get than was obtained by the commission which spent nearly a year in investigating the cost of the great railway systems of this country. I have before me the report made by these three gentlemen, Sir Henry Drayton, Mr. Acworth, and Mr. Smith. I know Sir Henry Drayton personally, and I have the utmost confidence in him. While these gentlemen divided in their opinion as to what should be done in the future, they were unanimous in their conclusion as to the value of the Canadian Northern. They took it up from three points of view. First, they considered the cash investment. They reached the belief that there could not possibly have been as much cash invested in the road as the debt represented. Secondly, they regarded the matter from the standpoint of the physical basis, and they said it could be replaced for less money than the debt. Then they took it up from the point of view of a going concern, and said

that no purchaser would offer a sum amounting to the total of the liabilities of the road. At page 44 they say:

> We conclude, therefore, that the shareholders of the company have no equity, either on the ground of cash put in, or on the ground of physical reproduction cost, or on the ground of the saleable value of their property as a going concern.

We know they had a staff of 40 or 50 engineers on the work. I know two of these gentlemen from the province of New Brunswick who were on it for nearly a year. They made a physical examination of every mile of the system. They examined the ties, the rails, the roadbed, the ballast, the stations, the drainage, and everything in connection with the line. Then they collaborated their notes and made this report, which says that the value is not there. How in the world is an arbitration board which we may appoint going to get evidence which these expert gentlemen failed to find? It seems to me that the whole thing is so absolutely nonsensical that it is not worth considering for a moment. They cannot do it. Those gentlemen spent a great deal of time collecting the information they required, and they found the value was not there. I do not want to impute motives, but I would feel very much freer upon this matter if the Minister of Finance would tell us how much money the Canadian Bank of Commerce has lent to Mackenzie and Mann on this stock.

I have tried to find out; we have all tried to find out but we have failed. We believe that Mackenzie and Mann, Limited, were the owners of $52,000,000 of the common stock and that it has been pledged to the Canadian Bank of Commerce as security for certain advances—how much we do not know, but the conclusion is borne in upon the mind of any man who thinks that unless this stock is given some value the Canadian Bank of Commerce may have trouble in getting repayment of their loan. I am not making a charge but I am saying that that is the inevitable conclusion that is forced upon my mind. If I thought it were only a matter of a few hundred thousand dollars I would feel differently about it. But I am afraid it is a matter of a few millions of dollars and my suspicions are increased a hundred fold. My time has expired under this beautiful gag law and I suppose we cannot go further. I shall vote for the amendment and if it carries we will at least have an opportunity of having this award back in Parliament and Parliament will have a chance of dealing with it again. I hope it will carry. I hope something will be done to save this country not only from the expenditude of an enormous amount of money at the present time but from being plunged into a system of public ownership the end of which no man in Canada can possibly foresee.

Mr. R. B. BENNETT (Calgary): Mr. Speaker, the principle of the acquisition of this property by the Crown has been acceded to by hon. gentlemen opposite and therefore I presume it is not necessary to further discuss that feature of the question. When I was speaking the other afternoon I pointed out that the amendment then proposed, as the amendment now proposed, was based upon the principle that the country is to acquire this property. There are certain questions that have been settled during the progress of this debate. It has been said that we are acquiring shares and not assets. In support of that proposition, reference is had to certain documents which have been filed here. It is hardly necessary to say that my right hon. friend the Prime Minister (Sir Robert Borden) himself refuted that argument when he stated that the reason why the Government had not taken over the shares without an arbitration was that the Drayton-Acworth report had overlooked the value of some lands which belonged to the company. As they are assets, it follows that the value of the shares is to be determined by the arbitrators on the basis of the value of the assets and not otherwise. Therefore, that argument is exploded. There is one other matter that has been settled and it is that the acquisition of this property by the Dominion Government on the basis now proposed releases the provinces from their entire responsibility as guarantors. It takes the burden that has been placed upon some of the provinces and distributes it upon them all. That argument has been controverted but it does not appear to have been very successfully controverted for this simple reason, that at the present moment the Canadian Northern Railway Company is the primary debtor and the provinces are the guarantors. It follows that, if there is default with respect to any of the obligations, the right as against the primary debtor must be exhausted and the primary debtor will be the Canadian Northern Railway Company owned by the people of Canada or the Crown in the right of all. It also follows that rather than permit the exhaustion of the right against the primary debtor the Crown must inevitably assume

the liability and release the provinces. That, I take it, is settled.

Another point that may be taken to be settled is that the effect of the acquisition of the shares of this company in the manner indicated is to make the people of Canada, as holders of all the shares, the owners of all the assets and responsible for all the liabilities of the company. It therefore becomes of primary importance that this House and the country should know the value of the assets and the extent of the liabilities. For the purpose of enabling that to be finally and definitely settled, we have provided machinery to which I shall presently refer. The assets consist of railways, of terminals, and various other properties and equipment. The liabilities consist of three things. First, there are outstanding loans which at the present moment amount to $100,000,000, payable in London, New York and Canada, and which are not represented by funded securities. But they are debts payable, some of which are due now, some in a few months, some next month and some next year. These debts, aggregating $98,000,000, may be said to be current liabilities. The second class of liabilities are those that arise under contracts for service. The hon. the Minister of Finance (Sir Thomas White) has made it perfectly clear that this country incurs no responsibility with respect to such contracts. The third class of liabilities is that liability which arises by reason of construction and other contracts. As to the extent of that liability the Minister of Finance has not been able to give this House any adequate or satisfactory knowledge. The reason is clear. Under the guarantees of the various provinces bonds have been sold to a limited extent and work of varying character has been commenced, the acquisition of right of way in one section, the building of a grade in another, the laying of a few miles of ties and rails in another, all involving the expenditure of a portion of the money realized by the sale of the whole or part of the bonds of the enterprise. Such money having been raised by the sale of securities, it can only be used for the purpose for which the securities were sold. That is clear. That cannot be disputed. Now, what the extent of the outstanding construction liabilities are this House has not been, and cannot be, advised, because it depends upon many factors about which it is impossible to speak with certainty. That point has been settled.

There has also been settled one other question, it would seem to me, and that is that by this arbitration, which it is assumed will shortly be held, it is proposed to enter into a full, complete and adequate explanation of what these liabilities and assets may be. But, in my experience in the practice of my profession, when I desired to acquire the capital stock of a company, I always took an option for as small a sum as possible; then I investigated the company and acquired the shares. To this extent the investigation to which the Prime Minister referred last night, and to which the Minister of Finance referred, never touched in any way, shape or form the liabilities to which I have just invited the attention of the House. These construction liabilities have never been touched, they are still there, and what the amount of them is we do not know. But this I do know, that if the Canadian Northern can successfully withstand the people of Canada, the people of Canada, as owners of the Canadian Northern, cannot withstand the political pressure that will demand the completion of lines partly constructed, even though it involves duplication of existing facilities.

There has been introduced in this debate a matter to which I wish to allude. It has been said: If you do not do what we want you to do this road will be acquired by the Canadian Pacific Railway Company. I am no longer in the confidence of the Canadian Pacific Railway Company. It is just six years ago this month since I terminated my service with them, but I have it on the highest authority that there never was a time when the Canadian Pacific railway would acquire the Canadian Northern system, however much it might be willing to acquire a portion of the line. I am at a loss to understand why that should be held up to the people of this country. It must be either for the purpose of stampeding this Parliament into doing something which it should not do without adequate inquiry and investigation, or to enhance the value of the shares and increase the amount of money to be paid for them.

These are the only two reasons. I desire in this Parliament to say that, so far as I am concerned, I resent the introduction into this debate of the bug-a-boo of the Canadian Pacific railway acquisition of this property, for the simple and obvious reason that it is calculated to prevent a full, free and fair discussion on the very largest domestic question that has engaged the attention of Parliament since the Canadian Pacific railway measure was before

this House. But there is another point in respect to that, a very clear one it seems to me. We have heard a great deal in this House about a few gentlemen in Montreal, and we have heard it said that they represented the Canadian Pacific railway. I do not know why a few gentlemen in Montreal should not get together and say to Parliament that they do not like the business character of a transaction, when a few gentlemen in Toronto could get together and say that they did not like certain negotiations of five or six years ago with respect to reciprocity. I cannot see any difference between the two. Speaking as one member of this House, I resent very greatly the introduction into this discussion of any effort to make it appear that this House can be stampeded from doing its manifest duty by having it made appear that the Canadian Pacific railway are trying to gobble up the rest of Canada. It used to be popular in my country to hold up that bug-a-boo. I thought that that day was past. I hope it is. In my country it is past. If we measure the service of the Canadian Pacific railway in this war to Canada and to the British Empire, whether in respect of the services given by its officials or of the money it has loaned to enable business to be carried on in Canada, or by reason of the deposit as collateral of its shares that have a higher value in New York to-day than Canadian securities, we at once see that the man who seeks to introduce into this Parliament that bug-a-boo in an effort to stampede this House is not doing his patriotic duty, and I leave it at that.

9 p.m.

Some hon. MEMBERS: Hear, hear.

Mr. R. B. BENNETT: My hon. friends will not be hear hearing in a moment. I pass to another point. I am asked to vote that the equity of redemption of the Mackenzie and Mann interests should be taken from them without the payment of any money. I am not going to repeat my argument with reference to that. It seems to me to be fundamental that any man who has something should receive payment for it if he can get it, and he should have the right to go to a tribunal to present his case to fix that value. I shall not labour that issue. But let me point this out. The Prime Minister said last evening that if we had a receivership for this enterprise there would be seven receiverships in seven provinces. In most of the provinces of Canada a moratorium now exists, and you could not foreclose a mortgage if you wanted to.

Mr. LEMIEUX: Not in Quebec at least.

Mr. R. B. BENNETT: There is no moratorium in Quebec?

Mr. LEMIEUX: No.

Mr. R. B. BENNETT: Well, the people of Quebec did not go to war and did not require any moratorium. I suppose that is the reason.

Mr. LEMIEUX: Quebec never guaranteed any Canadian Northern bonds.

Mr. R. B. BENNETT: No, but it guaranteed some railways in Mercier's time that were heard of.

Mr. CARVELL: There is no moratorium in the Maritime Provinces either.

Mr. R. B. BENNETT: I am glad to hear there is no moratorium in the Maritime Provinces. The question whether there is a moratorium in some of the provinces is not, however, the point I want to make. Neither New Brunswick nor Quebec has guaranteed Canadian Northern securities, but in the West, where this has been largely done, if you undertook to foreclose them, by virtue of the statutes in those provinces, an extension of time would be given probably until after the war. All that has been done, so far as this Parliament is concerned, is to say that, by reason of the financial condition that exists in consequence of the war, these men should have the opportunity to present, if they have a claim, that claim to a tribunal properly constituted, to determine its value. I shall not argue that point further. That is the principle most men follow in private business, and it should apply here. I am told that a receivership would be destructive to the interests of this country, and no man would question that. I have always said that the proper manner to deal with this was by a statutory receivership. But my voice has been as the voice of one crying in the wilderness, and I have to accept the statement of the Minister of Finance that this is the only way in which this business can be done. Then, accepting the principles he has declared for and stated, I am going, as my last word upon this Bill, to direct attention to certain anomalies, certain facts with relation to it, and I shall prove conclusively to this House that the measure that we are passing to-night is absolutely useless for the purpose for which it is intended and that unless it is amended

in another chamber it will have no value at all. For the purpose of placing myself upon record, I desire to indicate clearly and very briefly the various paragraphs and what I would substitute for them.

You will observe that the Bill commences with authorizing an agreement between certain pledgees and owners of stock for the acquisition of 600,000 shares. The Minister of Finance has said that money must be paid to save the Canadian Northern railway. This road cannot go into the hands of a receiver, this road cannot default. I want to ask him to-night, and to ask the members of this House, what is going to happen if the Canadian Northern railway people do not sign the agreement. What is going to happen under the provisions of the Bill? The minister has not taken power to take all of the shares if they do not sign. He has taken power to take the difference between 500,000 and 600,000, which is 100,000; in other words, it is simply provided that after this legislation is passed he can, by Order in Council, acquire 100,000 shares. But we will have to pay the money for interest etc., or else the road goes into a receivership, and that the Minister of Finance says is not to be considered. Therefore, I submit that section 1 should be as follows.

1. His Majesty may acquire the six hundred thousand (600,000) shares of the capital stock of the Canadian Northern Railway Company, having a par value of sixty million dollars ($60,000,000) not now held by the Minister of Finance in trust for His Majesty, on such terms and conditions, not inconsistent with this Act and satisfactory to the Governor in Council, as may be set out in an agreement to be made between His Majesty and the owners, registered as such, on the stock or share registers of the said company, of not less than five hundred thousand (500,000) of the said shares, for a price to be determined by arbitration as hereinafter provided.

In other words, I submit that only the registered owners of the shares are interested. Nobody else, and any agreement arrived at must be with men whose names are taken from the share registers, and people on the street or elsewhere in this country shall not be considered. That is my first submission. The second section of the Bill, I submit, should read as follows:

2. (1) Upon the completion of the said agreement at least five hundred thousand of the said six hundred thousand shares shall be transferred and delivered by the registered owners thereof to the Minister of Finance in trust for His Majesty, and if there be any of the six hundred thousand shares not transferred and delivered as aforesaid, the Governor in Council may declare the said shares to be the property of the Minister of Finance in trust for His Majesty, and the same shall thereupon become the property of His Majesty and shall be paid for pro rata with the shares so transferred.

Mark you that no provision has been made in this Bill as to when this transaction is to be completed. Suppose that these gentlemen keep putting off dealing with the matter until after the maturity of the loans mentioned. I have provided for that as follows:

(2) In the event of the said agreement not being executed and at least five hundred thousand of the six hundred thousand shares being transferred and delivered to the Minister of Finance in trust as aforesaid on or before the ..... day of ..... 1917, the Governor in Council may declare the whole of the said six hundred thousand shares to be the property of the Minister of Finance in trust for His Majesty, and the same shall thereupon become the property of His Majesty for a price to be determined by arbitration as hereinafter provided.

I now come to deal with the income convertible securities. This Bill has gone out of committee, and we have not dealt with these at all.

Mr. GRAHAM: That is the $25,000,000?

Mr. R. B. BENNETT: Yes.

(3) In the event of all or any of the holders of Income Charge Convertible Debenture Stock secured by trust deed made to the British Empire Trust Company Limited and the National Trust Company Limited, dated the 6th day of May, 1910, exercising the option granted to them by the said trust deed, of exchanging the said debenture stock, not exceeding in all twenty-five million dollars ($25,000,000) for fully paid shares in the capital stock of the said company, the Governor in Council may when and so soon as the said exchange is effected and the said shares are issued, declare the same to be the property of the Minister of Finance in trust for His Majesty, and the same shall thereupon become the property of His Majesty and shall be paid for when transferred and delivered to the said minister at the same price per share as that fixed by arbitration for the one million (1,000,000) shares of the capital stock of the said company, as hereinafter provided.

(4) The necessary qualification shares for directors may be transferred to or allowed to remain in their names by the Minister of Finance on such conditions as he may determine.

I conceive that to be very important. Why should 25,000,000 possible shares be outstanding, without provision being made for their acquisition? I deal with the next matter as follows:

3. So soon as five hundred thousand of the said shares have been transferred or all of the said shares have been acquired as aforesaid, the Governor in Council may assist the Canadian Northern Railway Company, or any other

company included in the Canadian Northern system in paying and settling any indebtedness of such company or postponing the payment thereof on such terms as may be agreed upon, and for such purpose may make advances out of the Consolidated Revenue Fund, but not exceeding the sum of twenty-five millions of dollars ($25,000,000) during the current fiscal year.

(2) The Canadian Northern Railway Company and each other company comprising the Canadian Northern system shall from time to time do all such acts and things, make, issue and execute such agreements, obligations and securities in connection with the payment or settlement or postponement or payment of the said indebtedness as the Minister of Finance may from time to time require.

Now I proceed to the arbitration clauses. I ask this House to look at the sections of this Bill. There is no Arbitration Act in Canada of universal application. There is an Arbitration Act in most if not all of the provinces, or at least in those provinces that have seen fit to pass legislation of that character, because it is a matter affecting property and civil rights. The old Dominion Arbitration Act was repealed when we substituted the Exchequer Court therefor. We must deal with the arbitration in some manner. Suppose Mackenzie and Mann or the majority shareholders do not name an arbitrator, what happens? Is there any provision in the Bill for any arbitrator being appointed? Suppose they sit tight and do not sign the agreement, and let the short-date loans mature. This country must help them. They do not sign the agreement, and are in charge of the road, and what is going to happen? Every one knows that the submission to arbitration is the all-important thing, after you have constituted the board of arbitrators. First constitute your board; secondly, determine what your submission shall be. Therefore, I would enact as follows:

4. (1) A Board of Arbitration consisting of three arbitrators to be appointed as hereafter provided, who shall select one of their number as chairman, and who shall preside at the sittings of the Board, is hereby constituted under the name and style of "The Canadian Northern Arbitrators." Such arbitrators shall have full power and authority to examine witnesses under oath, and for the purposes of this Act shall have, exercise and enjoy all the rights, powers and authority conferred upon the Exchequer Court of Canada or a judge thereof by the Exchequer Court Act, being chapter one hundred and forty of the Revised Statutes of Canada, and the arbitration hereunder shall for the purpose of this Act be a cause or proceeding in the said court.

That constitutes my tribunal. Then,—

(2) The registrar of the Exchequer Court shall be the secretary of the said Board of Arbitrators.

Then,—

(3) The Minister of Finance shall appoint one of the said arbitrators and shall within five days after the completion of the said agreement notify the said registrar in writing of the name and address of the arbitrator so appointed.

(4) The majority of the said shareholders who may have executed the said agreement shall appoint one of the arbitrators and shall within five days after the completion of the said agreement, notify the said registrar in writing of the name and address of the arbitrator so appointed.

(5) In the event of the majority of the shareholders who may have executed the said agreement failing within the time specified to notify the said Registrar of the appointment of an Arbitrator, or in the event of the agreement not being completed and the shares acquired by the Governor in Council, the Registrar in either such case shall forthwith certify in writing such fact to the Chief Judge of the Exchequer Court, who within five days from the date of the receipt of such notice shall notify the said Registrar in writing of the name and address of an Arbitrator who shall have and exercise the same power and authority as though he had been appointed by the majority of the said shareholders.

(6) The said Registrar shall after the appointment of the said Arbitrators, notify each of them in writing of the said appointments and request them on or before a day therein named, but not less than five nor more than ten days from the date of the appointment of the last appointed Arbitrator, to appoint a third Arbitrator, and notify the said Registrar in writing of the name and address of the person so appointed.

(7) In the event of the two said Arbitrators failing within the time specified to notify the said Registrar of the appointment of a third Arbitrator, the said Registrar shall further certify such fact to the Chief Judge of the Exchequer Court, who within five days from the day of the receipt of such notice shall notify the said Registrar in writing of the name and address of a third Arbitrator.

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. R. B. BENNETT: By my watch, I thought I had three minutes more. May I be permitted to conclude?

Mr. PUGSLEY: By unanimous consent.

Mr. R. B. BENNETT: May I hand in this paper, as the rest of my speech.

Some hon. MEMBERS: Unanimous consent.

Mr. SPEAKER: It is contrary to the usual practice of the House.

Mr. GRAHAM: Send it over here, and we will finish it.

Mr. SPEAKER: It is only done in the case of ministers of the Crown, in exceptional cases, but never with a private member.

Mr. R. B. BENNETT: I shall ask one of my hon. friends opposite to read it, com-

mencing at page 7. May I add that, instead of moving any amendment in relation to the measure, I will content myself with hoping that, in another chamber, the members will safeguard the interests of this country, when this matter comes before them.

Sir THOMAS WHITE: I desire to briefly deal with the several points mentioned by the hon. member for Calgary (Mr. R. B. Bennett). My hon. friend has stated that the effect of this legislation will be to release the provinces from obligations under guarantees of Canadian Northern Railway Company's securities. But, Mr. Speaker, it is common ground on both sides of this House that this railway system is not to be allowed to go into the hands of a receiver. That being the position taken by both Government and Opposition members in this House, the question will never arise as to the provinces being liable upon their guarantees of these securities. The hon. member for Carleton (Mr. Carvell), who made to-night—as he always does—an interesting speech, put forward the proposition that the Dominion Government should continue, in the future as in the past, to make good the deficit the Canadian Northern might have from year to year, in order that it might continue to operate as a railway system. He did not suggest nor has any other hon. gentleman in this House so far as I know suggested—except the hon. gentleman from Calgary—that there should be a receivership. If there is no receivership, and if the Dominion Government, instead of taking over this system, is to make good each year the amount of deficit, no question can possibly arise as to the liability of the provinces, because the railway company will be able to pay the interest upon its securities, and consequently the provinces will not be called upon for payments under their guarantees. When hon. gentlemen opposite say "hear, hear" when the statement is made that some of the provinces will be released at the expense of other provinces, they overlook the fact that both the Prime Minister as representing this side and the leader of the Opposition as representing the other side have said that there must not be a receivership, and that this system must be continued as a solvent going concern. In that case no question at all can arise as to the liabilities of the provinces under those guarantees.

I pass to the next question. My hon. friend (Mr. R. B. Bennett), who is a good lawyer, made the statement that the effect of this legislation is to vest in the people

[Mr. R. B. Bennett.]

of Canada all the assets and make them responsible for all the liabilities of the Canadian Northern Railway Company. As a proposition of law, I say that is not so.

Mr. PUGSLEY: It is intended to be so.

Sir THOMAS WHITE: As a proposition of law, that is not so. The Government is acquiring the whole of the stock of the Canadian Northern Railway Company, of which it now owns 40 per cent. I put forward this proposition. If it is to be the policy of this Government not to permit the Canadian Northern Railway system to go into default, the position will not be essentially different from what it is to-day; because to-day we hold 40 per cent of this stock, and we have given a $45,000,000 guarantee, which is junior to the securities which have been issued in the past, and consequently the Dominion Government, as a matter of practical business, and especially in view of the declarations of both parties in the House, would have to sustain this system—that is, to make good its deficit from year to year. The system is not to go into the hands of a receiver. Then, as a matter of law, the fact that the Dominion is acquiring all the stock of the company does not cause the assets of the Canadian Northern Railway Company to be vested in the Dominion, nor does it make the Dominion Government directly responsible for the liabilities of the railway system. That is a legal proposition from which no man in this House can dissent. Just to confirm that, the Drayton-Acworth report—and I have said we are following out the leading lines of that report—did not recommend that the Board of Dominion Railway Trustees should acquire the physical assets of the Canadian Northern, as has been suggested by hon. gentlemen opposite, but they suggested that those trustees should acquire the stock of the Canadian Northern Railway Company, the stock of the Grand Trunk Pacific Railway Company, and the stock of the Grand Trunk Railway Company. And on page 88 of their report they make this specific recommendation:

> We recommend the transfer to the trustees of the common stocks of the Canadian Northern, Grand Trunk and Grand Trunk Pacific, subject to certain conditions and reservations made hereafter.

That is to say, they recommended that the stock of the Canadian Northern Railway Company, not the physical assets of that company, should be vested in this board of trustees which they proposed

should be constituted. What further did they say?—and this is the reason why I am referring to their report. Touching upon this question of liability, on page 73 of their report, under the caption "Financial responsibility of the Government," the commissioners say:

> We have recommended that the Government should assume responsibility towards the trustees, but not directly towards the present holders, for the interest on all the securities charged on the new combined system.

Mr. R. B. BENNETT: Is any more importance to be attached to that portion of their report than to the portion which overlooked the value of the lands?

Sir THOMAS WHITE: I have dealt with that before, and will deal with it again. In the meantime the point I make is that Messrs. Drayton and Acworth recommended that the board of Dominion trustees, representing the people of Canada, should acquire the stock just as we propose the Dominion Government should acquire the stock. Then they go on to say:

> We have recommended that the Government should assume responsibility towards the trustees, but not directly towards the present holders, for the interest on all the securities charged on the new combined system.

What does that mean? It means that in the opinion of Messrs. Drayton and Acworth —and any lawyer knows that this is so—if you acquire the stock of a company you do not become directly liable to the creditors of that company, because a company is different from any or all its shareholders; that is, from a legal standpoint. It is however the intention of the Dominion Government to continue the system as a solvent and going concern. When hon. gentlemen talk of all the assets of the system being vested in the Dominion, and of all the liabilities being directly assumed by the Dominion, I say they are making a misstatement, speaking from the legal standpoint.

My hon. friend speaks of the short-date loans of $98,000,000. He stated that those may be said to be liabilities, and he is correct in that; they are liabilities of the Canadian Northern Railway company. That has been admitted.

As far as construction and other contracts are concerned the railway department knows the situation accurately. The Dominion Government has full information with respect to the construction of the lines of the Canadian Northern Railway system. And I say further, that there has been placed before this House complete information as to the amount owing to contractors to-day, and as to the amount outstanding by way of liability on contracts undertaken. So the House has full information under those heads.

My hon. friend has referred to the Canadian Pacific Railway company. No one has greater admiration than I have for the Canadian Pacific Railway company, as a great transportation system organized to the highest degree of efficiency. It is a wonderful organization, and is so regarded throughout the world. The point that was made in this House by the Prime Minister and by myself was this—not in criticism of the Canadian Pacific Railway company, but in dealing with the question of what shall be done with the Canadian Northern system: If you eliminate receivership, then there is only one of two destinies for the Canadian Northern Railway system, and there is no man in this House will gainsay that. It either must be taken over and operated by the Dominion Government, or taken over and operated by the Canadian Pacific Railway company. That is as far as I have gone, and I subscribe to that proposition to-night, because it is sound. There is no railway company in this country except the Canadian Pacific that is able to take over the Canadian Northern railway, which is the second greatest system in this country. The only alternative to the Dominion Government taking over the Canadian Northern railway, if it is to be saved from receivership, is that the Canadian Pacific take it over. I pass no opinion as to whether the Canadian Pacific would take it over or not, but am simply stating my opinion that if it is to be saved, it must be saved by either the Dominion Government or the Canadian Pacific. I go further than that and say, that even if the Canadian Northern Railway system went into the hands of a receiver, it could only be re-constituted by one of two organizations—the Dominion Government or the Canadian Pacific Railway company. So that, no matter whether it goes into the hands of a receiver or is saved from receivership, you get back to one of two alternatives: Either the Dominion Government takes it over or the Canadian Pacific takes it over. I shall say no more under that head.

As my hon. friend has referred to the manifesto issued by some prominent business men of Montreal, I desire to say this: This is a free country, and it is perfectly open to any gentlemen to issue any statements they desire to their fellow-citizens.

Certainly there is no objection on my part, and I should never have referred in any way to the statement made by these gentlemen in Montreal if my hon. friend from South Renfrew (Mr. Graham) had not read it in the House as a part of his argument. That is how the matter was introduced into this House, and as it had been discussed in this debate it was open to me to deal with it, and in dealing with it, I passed no reflection at all on these gentlemen, as Hansard will show.

Now I come to my hon. friend's suggestion that there should be a statutory receivership. There is not much difference between a statutory receivership and any other receivership. A statutory receivership would be one in which by statute a receiver of the system was appointed. My hon. friend has referred to the fact that there is a moratorium in most of the provinces. But a moratorium does not pay the interest or the debts; it only defers payment of the interest and the debts, and if a moratorium were taken advantage of, instead of dealing with the matter from year to year, two or three years from now we should have to deal with a much worse situation, because there would be the indebtedness that had accumulated during the course of those years.

My hon. friend comes to the Bill, and when he was dealing with it I could not help thinking what a wonderful thing it is to be a lawyer. A lawyer can see more difficulties in a Bill, when he wants to, than any man of plain common sense can see.

Mr. R. B. BENNETT: That is the reason you are a lawyer.

Sir THOMAS WHITE: I will take as good a lawyer as you can find on this side of the House, and as good a lawyer as you can find on that side of the House, and I will give the two of them the best Bill that can be drafted by the best lawyer outside, and I will guarantee that the two of them will raise more difficulties in connection with that Bill than could be raised by one hundred laymen, no matter how much they might try.

Mr. R. B. BENNETT: That is the cheap answer.

Sir THOMAS WHITE: My hon. friend says that Mackenzie and Mann may not sign the agreement. Let us see what that means. This agreement cannot go into effect until Mackenzie, Mann & Company, as holders of five-sixths of the shares of the Canadian Northern Railway company, do sign the agreement, and if it does not come into effect what happens to Mackenzie, Mann & Company and to the Canadian Northern? What is the purpose of this Bill? It is to save this company from going into the hands of the receiver, by providing money and to take over the stock of the company. My hon. friend suggests that the great danger is that Mackenzie and Mann won't come in under this legislation. Well, I have heard Mackenzie and Mann called a great many names since I have had a seat in this Parliament, but never until to-night have I heard it imputed to them that they were suffering from insanity. If they do not come in under this Bill what happens to the Canadian Northern Railway company, and to the stock of the Canadian Northern Railway company which they hold?

Mr. R. B. BENNETT: You will save it.

Sir THOMAS WHITE: On the one hand, hon. gentlemen say that the road will go into the hands of a receiver if we do not give it assistance. We know that. On the other hand, my hon. friend says: Oh, you are incurring a great risk because they will not come in; they will not lodge their stock. If they do not lodge their stock the Dominion Government will not worry, because, in that case, there will not be any money advanced under this legislation. The responsibility will be that of the majority owners of the stock.

Mr. R. B. BENNETT: They do not care.

Sir THOMAS WHITE: We do not need to worry about Messrs. Mackenzie, Mann and Company not lodging their stock under the agreement. We come to the next bogey that is put up. My hon. friend says: If they sit tight—well, if they sit tight, the Dominion Government will also sit tight, and if they sit tight and do not brings in their stock, then the Minister of Finance will not pay out the money from the Consolidated Fund under section 4 of this Bill. He says that only—

An hon. MEMBER: Time.

Mr. SPEAKER: Order. I wish to say that there are entirely too many interruptions from hon. members sitting in their seats.

An hon. MEMBER: The time is up.

Mr. SPEAKER: Order. I purpose adding not less than one more minute to the

minister's time for speaking because he has been interrupted so often.

Sir THOMAS WHITE: My hon. friend (Mr. R. B. Bennett) says that only the registered shareholders are interested. There is not so very much in this matter of holders of stock and pledgees. I pointed out the other day—and every lawyer in this House knows—that if I am the pledgee of stock, I can make myself the registered owner by transferring my stock on the books of the company. When you are taking away stock from shareholders, you must not forget that those who have a limited interest by way of pledge also have the right to come in. If the word "pledgee" were eliminated entirely from the Bill, it would simply mean that the pledgees would transfer the stock into their own names and thus become the registered owners and be represented in the arbitration. There is nothing in this point that pledgees should not be mentioned. If pledgees were not mentioned, they would turn themselves into registered owners by transferring the stock into their own names on the books of the company.

My hon. friend says that there is income convertible debenture stock of $25,000,000. I pointed out to this House that this agreement covers only the acquisition of $60,000,000. It does not cover the $25,000,000 at all, and it is not intended that it should cover it. My hon. friend, as I understand him, says that we should take away the $25,000,000 of stock which is held in trust for those debenture holders who have the right, if they so desire, within a certain time to convert their debentures into shares. He says that we should take away that right.

Mr. R. B. BENNETT: No, to pay for it at the same price.

Sir THOMAS WHITE: I say that we should not pay for it at tne same price. Not only that, but the debenture holders who have right as creditors would never think of surrendering their shares for stock in this company in its present financial position. My hon. friend knows that perfectly well, and that is the reason why it is not necessary to provide in this agreement for the stock which is held in trust, if those parties should desire to come in. Take a company that is not earning within four or five million dollars of its bond interest every year after paying its operating charges. Does my hon. friend mean to put forward seriously the view that debenture holders who are creditors of the road are going to convert their debentures for which they paid par into stock of a company like this? They are certainly not going to do that, and even if they decided to do it, there is nothing in this Bill that would give them the right to do so, because all we are dealing with is the $60,000,000 of stock in addition to the $40,000,000 of stock which we hold. My hon. friend says that the arbitration clauses are not workable.

Mr. PUGSLEY: Time.

Mr. SPEAKER: Order.

Sir THOMAS WHITE: All I have to say is that they are pretty complete. In the first place the Dominion Government will appoint an arbitrator; Mackenzie and Mann and the other shareholders and pledgees will appoint an arbitrator; and the two together will appoint a third arbitrator. If they do not agree, the judge of the Exchequer Court will appoint an arbitrator. You now have your arbitration constituted. It is not necessary that we should embody a whole arbitration Act in this section of the Bill to which my hon. friend has referred. There is no difficulty about three arbitrators with the powers they are given in this Bill. What are those powers? They are given the powers of determining the value of the stock, and they proceed in a summary way. What does that mean? I sit at the feet of the Gamaliel from St. John (Mr. Pugsley), who told me this two or three years ago—

Mr. PUGSLEY: Time.

Sir THOMAS WHITE: —that a court which proceeds in a summary way was not a court that required formal pleadings. These arbitrators proceed in a summary way. They receive reports and statements authenticated in such way as they may decide and such evidence as they may deem necessary or helpful, examine witnesses under oath and hear parties by counsel or representatives, and the unanimous determination of the arbitrators shall be final.

From a common sense standpoint we have constituted a tribunal which can proceed in a summary, practical, business way to determine the value of those shares, and if they all agree, their determination is final, and if they do not all agree, there is a reference to the Supreme Court of Canada. Further, I am going to point this out to the House—

An hon. MEMBER: Time.

Sir THOMAS WHITE: My time is not up yet. I want to point out—

An hon. MEMBER: Time.

Mr. SPEAKER: Order.

Sir THOMAS WHITE: Those shares are absolutely——

Mr. SPEAKER: Order. When hon. gentlemen are calling "time", they are calling in question the decision of the Chair. The minister has had one and one-half minutes less time than the majority of hon. gentlemen on my left, and he has half a minute more.

Sir THOMAS WHITE: I probably deserve it.

Mr. GAUVREAU: Give him a taste of the "gag" too.

Sir THOMAS WHITE: When those shares are lodged with the Minister of Finance in trust for His Majesty, they are there irrevocably, so that no such questions as my hon. friend has raised are likely to give any trouble in connection with this transaction.

Hon. GEORGE P. GRAHAM: Mr. Speaker, in the midst of this very serious discussion, if one sits on this side of the House, one cannot but be really amused at the plight in which members on the Government side have found themselves. Stringing up a beautiful rope with a noose on the end of it for the benefit of hon. members on this side, they find themselves dangling with their heels in the air at the end of their own rope. The Minister of Finance himself, anxious to tell the world that he has jammed this measure through by use of the closure, finds himself gagged.

Sir THOMAS WHITE: That is not correct. I have finished.

Mr. GRAHAM: He did not accept the gag very gracefully; it seemed to stick in his throat, but the gag was there, made by himself. It is not such a serious thing, you know, if you put up a good fight and are killed by somebody else, but it is a terrible thing to find yourself in such a state that you are committing suicide. The Minister of Finance, in his anxiety to prevent the rest of us from making a few observations, discovers all at once that he has fallen into his own trap and been caught. Perhaps next time he will be a little more careful and reasonable.

[Sir Thomas White.]

Sir THOMAS WHITE: I did not take all the time.

Mr. GRAHAM: Well, the minister took all the time that he thought he had and more than some of us thought he should have taken. He had, however, to stop before he was through, which is the effect of this measure which he put into operation by a motion last night, just twenty-four hours before he should have done so. The Bill would have gone through just the same without this gag, and the Finance Minister would be able to face the country and say, "The Opposition as well as the members of the Government had every opportunity to discuss this measure." I dare say that when he goes on the stump he will tell the people "I could have said a great deal more to squelch the man from Calgary, if I had not been stopped by the Speaker; I had arguments which I could have advanced, when I was choked off by my own resolution." Up to date, he has not replied to the hon. member for Calgary, and this argument of his goes to the country stillborn. I do not know what it might have been had it been allowed to develop. But the Finance Minister told us that lawyers may use a lot of words without saying much, and he proceeded to exemplify it. I want to take him up on that little technicality argument of his. I have not the disadvantage of being a lawyer—

Sir THOMAS WHITE: Hear, hear.

Mr. GRAHAM: —but I have the authority of the Finance Minister for saying that I ought to be thankful. He has told us a lawyer can raise more bogeys in five minutes than a sensible man can think of, or something to that effect; and I admit with him, he being a lawyer, that that is so. I will tell you why—and in this I "appeal to Caesar," and away from the lawyers. The Finance Minister argued that although the people of Canada became the owners of the stock of the Canadian Northern, they were not the proprietors of the Canadian Northern. If, after taking this stock—and I am dealing with business men—the people of Canada are not the owners of the Canadian Northern, who are the owners?

An hon. MEMBER: Mackenzie and Mann.

Mr. GRAHAM: If that is not a legal technicality raised to becloud the issue, then I do not know what it is. I will put the reverse side. If the Government owns all the common stock of the Canadian Northern railway, is it not going to be liable

for the debts of the railway, and if not, who will be liable for them?

Mr. LEMIEUX: Not Mackenzie and Mann.

Mr. GRAHAM: After taking over the common stock, we cannot cast the physical property of this system adrift, saying it is of no value, no one owns it, and that no one will pay the debts of the concern.

Sir THOMAS WHITE: Who is liable now?

Mr. GRAHAM: As a matter of fact, we may becloud it with all the legal technicalities we like, but when this Bill passes, if it does pass, the people of Canada will own the Canadian Northern railway and will be liable for what the Canadian Northern owes. The Minister of Finance, as a lawyer can weave threads of technicalities around it, but that will not do away with the business fact that we shall own the Canadian Northern, and we shall owe the debts of the Canadian Northern. I wish to call attention to the fact that the closure is in use to-day in order to shorten up this debate because it did not proceed at sufficient length last night. Hon. gentlemen on this side of the House were not responsible for the length of the discussion last night. After warning us that there would be closure to-day, the Prime Minister stepped in and took two hours, nearly the whole of the evening, in discussing this measure. After doing that, he became a party to shutting us off. He took two hours to repeat a speech he made the other day, and said that we should each be confined to twenty minutes. And they call that fairness in discussion.

An hon. MEMBER: British fair play.

Mr. GRAHAM: Passing on from that the Prime Minister called attention to what he—as a lawyer, I suppose I may say—considered was a fair statement of the case. He said, why should Parliament endeavour to review the finding of a board of arbitration and of a judge of the Supreme Court? I say that is not a fair statement of the case. If those arbitrators are unanimous, the case never goes to the Supreme Court at all. If it goes to the Supreme Court, it will be because one of the arbitrators disagrees with the others. When the Prime Minister endeavoured to make the country believe last night that we were proposing by this amendment to review the findings of the Supreme Court, he was in a measure misleading the people. The hon. member for Calgary and two or three others, including myself, suggested a few days ago that there should be some provision in this Bill by which the Government might refuse the award of the arbitrators if that award was too great. The Government declined to amend the Bill in that respect, and, I submit, the amendment proposed now only says that, if in the judgment of Parliament the board of arbitrators have made an award which is too high, Parliament should have the right to review that judgment and reverse it if it sees fit.

Whom do we represent? We represent the people of Canada. We may sidestep this question as much as we like, and may becloud it with legal technicalities—saying for instance, that we will own the stock but will not own the railway, that we will have the assets but will not be liable for the debts—still we cannot get away from the fact that the people of Canada will hold us responsible for every dollar those arbitrators give for stock which the Government's own commission says is not worth a penny. We cannot escape from that responsibility, either through the Supreme Court or through the Board of Arbitration.

I did not rise to tempt closure, but I want to point out again that the Opposition is composed of good Samaritans. I find that not only did the Minister of Finance get into trouble over his own resolution, and have to stop before he was through, but another leading supporter of the Government, got into trouble also. My good friend from Calgary found himself in the midst of proposing a Bill to the House, when owing to the measure which he had supported and the action of the Finance Minister which he criticised, he was not able to put before the House his entire views concerning what ought to be in this Bill. I am opposed to closure, and I am prepared to do anything I can do to help the hon. gentleman in overcoming its provisions still keeping within the rules of the House. I am sorry for the hon. member for Calgary that he is in such company that they tied him up in this way, and I will try to get him out of the scrape. I purpose to read what he was choked off from reading through the action of the Finance Minister. I will place before the House the remaining clauses of the Bill proposed by the hon. member for Calgary as a substitute for the Bill we are now discussing. I do this because I think it is fair that the House should know my hon. friend's proposition in its entirety. I do it, further, because this Bill will go to the

Upper Chamber, and I believe the members of that House should have before them the counter proposition of my hon. friend from Calgary. And if it be better than that of the Minister of Finance, then, possibly, the Senate will accept this Bill and reject the one now before us. The new Bill could not be much worse than the one we have, and possibly it may be better. I shall begin reading where my hon. friend from Calgary left off.

(8) The said arbitrators shall as soon as practicable after the appointment of the third arbitrator, meet, organize and proceed with the arbitration in as expeditious a manner as possible.

5. (1) The said arbitrators shall determine the value (if any) of the one million shares of the issued capital stock of the Canadian Northern Railway Company, as represented by the value of the equity of redemption in the mortgaged premises particularly mentioned and described in the "Canadian Northern Guarantee Act, 1914."

(2) In the event of the said arbitrators determining to ascertain the cost of the reproduction of the undertakings, plant, equipment, properties and assets of the Canadian Northern System, such cost of reproduction shall be ascertained on the basis of the prices, costs and wages prevailing before the outbreak of the present war.

(3) The said arbitrators shall certify the sum to which each of the shareholders registered as such on the stock or share registers of the said company shall be entitled, rateably and proportionately to the value (if any) fixed by them on the one million shares of the capital stock of the said company.

6. The award of the said arbitrators shall be made in writing on or before the first day of ..... 19... or such later date as any two of the said arbitrators may by writing fix and determine, and shall forthwith be filed with the registrar of the Exchequer Court at Ottawa, and shall thereupon become a final judgment of the said court, and the practice of that court with respect to appeals therefrom shall apply thereto. Provided that in the event of the award being unanimous there shall be no appeal therefrom.

7. If the said award is unanimous or no appeal is taken therefrom, the Minister of Finance shall pay out of the Consolidated Revenue Fund of Canada to the said several shareholders, the sums to which they may be entitled by the said award.

Mr. PUGSLEY: Subject to the approval of Parliament.

Mr. R. B. BENNETT: No, that is not there.

Mr. GRAHAM: That amendment mentioned by my hon. friend from St. John probably will be put in the Bill, with the consent of the hon. member for Calgary, when it comes back from the Senate. I just rose to read this addition to the Bill which is proposed by the hon. member for Calgary. Just one word more before I respond to the gavel. The Minister of Finance has referred on two occasions to-night to the limited amount borrowed on this stock as collateral. If the minister would just tell us what that amount is it would help us to an understanding of this question because, if it be small, it might make a great difference; but, if it be very large I can see why the pledgees are put in this Bill. It may be yet that the pledgees will become the registered stockholders and they will be sure to sign the agreement. There may be doubts as to what Mackenzie and Mann may do, but the pledgees themselves will be up before daylight to get their hands on that agreement if they have any right to sign it. I am not sure that Mackenzie and Mann will rush to sign the agreement. Before this agreement is made, if Mackenzie and Mann can find some other way out they may do so and never sign the agreement, but as to the pledgees, I agree with the Minister of Finance there will be no trouble at all; they will sign that agreement almost before it is drawn.

Mr. J. E. ARMSTRONG (East Lambton): Mr. Speaker, like my hon. friend from South Renfrew (Mr. Graham) I am not a lawyer and I am glad of it. We have had sufficient talk from the legal fraternity and it is about time that some other gentlemen took part in this debate. The hon. member for South Renfrew says that this is gag rule, but he must remember that thirty-five hours had already been spent on the measure previous to the bringing in of the closure.

Mr. GRAHAM: That is hardly a million an hour.

Mr. J. E. ARMSTRONG: Some twenty-five members spoke the other night and to-day we will listen to some twenty-five more. The hon. gentleman says he is very willing to help out the hon. member for Calgary (Mr. Bennett) and I have no doubt that hon. gentlemen opposite are very willing to help him. I think the speech of the hon. member for Calgary to-night was a most unfair and uncalled for criticism of the Minister of Finance in connection with this Bill. The Minister of Finance has dealt with the remarks of the member for Calgary in such a manner that it would be folly for me to attempt to add to what he has said. But, there are a few things that I deem it my duty to call to the attention of the House. The hon. member for Calgary has referred to the construction accounts due to companies. If he had looked at the general balance sheet he would have found the following:

Due to other companies on construction account	$16,000,000
Current liabilities, bills payable, pay-rolls	18,000,000
Audited vouchers and other floating liabilities	11,000,000

That ought to be sufficient evidence that the Government had investigated that part of it, and it ought to have satisfied him that it covered his argument in that regard. Then we find that in many instances hon. gentlemen seek to make mountains out of molehills. We should look at this as a great national question, one that is worthy of our best consideration. Instead of quibbling over words here and there, words uttered in 1914 especially, we should get down to the practical business proposition and see what this great public utility demands of the people of Canada. If you approach the subject in that spirit, I am sure that you will come to the conclusion that I have come to, that this is a great national project, the greatest that any country ever undertook at one time. It is a question that is worthy of our closest attention. In future years, I am satisfied, the members who sit in this House will fully realize and appreciate the steps which are being taken by the Government in this measure and will consider them to have been in the best interest of our people.

Both parties are practically united on the question of public ownership. They are both agreed that it is in the interest of the country that the people should own this road. In the early stages of the debate two hon. gentlemen proposed that the Government should pay over $20,000,000 and continue Mackenzie and Mann in the position which they now occupy. But to-day practically every one on both sides of this House is in favour of taking over the road, except the hon. member for Carleton (Mr. Carvell). There are only two possible ways in which this road can be taken over. The one is by the Government and the other by the Canadian Pacific railway. If we should allow it to go into the hands of a receiver if we should put it up at public auction, there is no question but that the Canadian Pacific railway would be able to bid a greater amount than even the Government would care to put into it, with the result that the Canadian Pacific railway would own and have a monopoly on all the railways of this country. When you take into consideration that by the acquisition of this road, the people of Canada will own, control and operate 13,247 miles of railway, whereas the Canadian Pacific railway has only 12,900 miles, and when you remember that the Canadian Northern has the best grades and curves of any road on the continent, you cannot but appreciate the fact that this is a measure that is going to be of great advantage to the people. But the Canadian Northern is in such a position that it cannot possibly pay its running expenses, interest charges and provide rolling stock and betterments.

I believe that it is in the interests of the people that it should be taken over and run by them. We do not perhaps appreciate to the full that the Canadian Northern railway has been a great colonizing road. It has been as great an element in the development of the Northwest as any other railroad, or even as great as any institution established by this Parliament. Owing to the opening up of this line of railway, tens of thousands of homesteaders are now settled along its right of way across the continent, and in addition to that, many important industries have been located in different parts of the country. There are along the line of the Canadian Northern railway 980 interior elevators. The road operates six steamships on our Great Lakes, and has five terminal elevators with a capacity of 10,000,000 bushels. The total elevator capacity in the west along its lines is 60,000,000 bushels. Thus this road is a splendid undertaking, and one that, I am sure, will receive the approval of the people of Canada. Within a few years we will take over the Grand Trunk and the Grand Trunk Pacific. Then the people of Canada will control and operate 19,000 miles of railway out of the 40,000 that are in operation in Canada. This will be a mighty factor in the development of our country.

There is a matter to which I wish to refer before taking my seat. The hon. member for Calgary (Mr. R. B. Bennett) at page 4760 of Hansard said, referring to Messrs. Mackenzie and Mann:

> And lastly, they have corrupted the public life of this country. They have corrupted it alike in the provinces and in the Dominion, and if the members on both sides of the House were to tell the tale of contributions that have been made to party funds, it would indeed be an enlightening and revealing story.

This statement has gone broadcast throughout the country, and I say most emphatically that nine-tenths of the members of this House—and I defy the member for Calgary to successfully contradict me—have never received any remuneration whatever from any of the railways. I have been a member of this House for the

last fourteen years and I have never been approached in any way as suggested by the member for Calgary by any representative of a railway or of any other corporation, and I think it ill becomes a member to try to belittle the standing of the members of this House by making any such statement. The member for Calgary was a member of the special committee on the Rail-

10 p.m. way Act. He must know that the twenty-six men who took part in the work of that committee fulfilled their duties as faithfully as any men could do, and that they brought in advanced legislation for the general benefit and development of the country. Having been a member of the Railway Committee for the last fourteen years, I resent, in the strongest language I can bring to bear, any such statement as that made by the hon. member for Calgary as referring to myself, and I feel that I am voicing the sentiments of nine-tenths of the men in this Chamber when I say that not a man of them has ever been interested in anything such as he has suggested. I regret exceedingly that the hon. member should make such a statement. I feel that it was a reflection on the members of this House, and I for one did not wish to be seated and allow such a statement to go unchallenged.

I sincerely hope that the third reading of this Bill will be carried, as I am satisfied that it is legislation in the public interest.

Mr. R. B. BENNETT: I rise to a question of privilege. The observations I made some ten days ago I desire to repeat. I referred to contributions to party funds, and the hon. member for Lambton (Mr. Armstrong) knew that or else he is unable to understand the King's English. No reference was made to him, and if he so construed it he is making a very considerable draft upon his imagination.

Mr. COPP: Too innocent.

Mr. J. E. ARMSTRONG: That is one way of putting it—referring to party funds. That is about as unfair a way as any other. I want the hon. member for Calgary to know that he is not the only Simon-pure politician there is in this country at the present time.

Mr. R. B. BENNETT: He does not pretend to be.

Mr. ARMSTRONG: It is astonishing how some men are able to parade themselves in a manner to endeavour to show that all other men in public life are ready to be bought or sold in connection with any of the transactions of this House. I repeat that I believe it is an unfair statement to make with regard to members of this House, and that nine-tenths of the members are as honest and open and above board a body of men as you can find in any walk of life.

Mr. R. B. BENNETT: "Methinks the lady doth protest too much."

Mr. ARMSTRONG: Very clever.

Mr. D. D. McKENZIE (Cape Breton North): Mr. Speaker, I have listened with a great deal of interest to the long and vigorous addresses coming from the Government benches to-night. They are particularly interesting in view of the fact that we are charged with killing time and blocking the wheels of Parliament in getting Bills through. I wonder what hon. gentlemen opposite are doing. Of course they may have a wonderful conception of time that we have not. It seems to me that the sun moves and the moon moves, particularly the moon when they are speaking just as well as when we on this side are speaking. I therefore take particular interest in watching their performances. I was more than usually interested in the performance of the Minister of Finance himself. He reminded me of the old saying that a man sometimes bites off more than he can chew; to-night the Minister of Finance found himself caught in his own net. He was certainly like Haman of old when he found himself dangling upon his own gallows. So much for the Minister of Finance. I must remind him of the declarations and opinions expressed by his bosom and close friend and supporter, the hon. member for Calgary (Mr. R. B. Bennett). It appears to me that, according to the deliverance of that hon. gentleman, who has more than a national reputation as a corporation lawyer, and particularly a railway corporation lawyer, the legislation that is now before this House is in the position of the old Indian's gun. It wants a new lock, stock, and barrel.

The hon. member for Calgary (Mr. R. B. Bennett) has addressed the House. He is a lawyer of great repute. And the Minister of Finance (Sir Thomas White) in sunny days and balmy weather admits he himself is a lawyer but the profession of law is to him something like Abraham's wife,—sometimes she was his wife and sometimes she was his sister. The Minister of Finance is a lawyer, and he is not a lawyer, just as

it suits him; to-night is one of the nights when Sarah is Abraham's sister;—the hon. gentleman is not a lawyer to-night. I have no reason to disagree with him when he says he is not a lawyer. I always thought his theoretical ideas in law were very good, but, it seems, when he comes down to the surgical part of law, operating, he finds himself somewhat at sea; at least, that is the conclusion reached by the hon. gentleman from Calgary (Mr. R. B. Bennett), and when that hon. gentleman undertakes to discuss corporation law, I must follow the example of the hon. Minister of Finance and uncover my head—"take off my hat" to him. Then in view of the exposition made by the hon. gentleman from Calgary, and the riddling which he gave this legislation, there is only one consolation for the Canadian people, and that is, when the new Government comes in, if an effort is made to enforce this Act should it be passed, we can very easily get out of it, because we can plead disability,—I think we can put forth the disability of infancy on the part of everybody who is handling this legislation as members and supporters of the Government.

We hear a great deal about this arbitration, and I want to deal seriously with this matter, as an important national question, as the hon. gentleman from East Lambton (Mr. Armstrong) wishes us to deal with it. He said that it was a great national question. I would be very glad indeed if the Government and the supporters of the Government would take that broad view of it and deal with it in that way; but it appears to me that the members of the Government and those supporting them think it is a tu'penny ha'penny matter not worthy of consideration—a matter that should be dealt with in twenty minutes and wiped off the slate, to be replaced with something else. I am glad to hear the hon. gentleman from East Lambton speaking in this Chamber. He has a style peculiarly his own. He doesn't remind me, of course, of Parliament, but he brings me back to the temple where righteousness rules and where we hear the evangelist hold forth. I am sure there is not a member in the House who, in season and out of season, stands to his guns for party purposes better than the gentleman from East Lambton. With all the graft, money and party patronage that the Conservative party have had in their hands in the elections which have been run in this country since the hon. gentleman became a politician, if he, who has been faithful in his service to the Conservative party, got none of it, he has good ground to find fault. I must say that that is the great difficulty with governments handling money of this kind, the honest member never receives a fair share; and if there was ever a case where an arbitration should be established, and a full and thorough investigation made this is it. I would suggest that the hon. gentleman should put his case on paper, and submit it to this House, and I will vote with all my heart for an arbitration board to have an accounting in order that his just and full share of that money shall be paid to him, as was paid to the others. It is said that only one-tenth of the party gets it. It is all very well to go back to those old Jewish customs of a tenth, but it should spread wider in the party than one-tenth, and I think my hon. friend should get his share.

He said this should be a national Bill, and dealt with in a national way. My own conception of the measure is that it should not have originated in this branch of Parliament, but should have originated in the other Chamber, and should have gone through the hands of the Divorce Committee, because it is a Bill for the relief of Mackenzie and Mann. It being a Bill of that character, I am sure, no matter what else may be wrong about it; it began in the wrong chamber.

Mr. COPP: Who is the co-respondent?

Mr. McKENZIE: I suppose there would be quite a few of them. The management and shareholders of the Canadian Bank of Commerce might be co-respondents.

We have reason to complain of the meagre information that has been given to the House and the country in connection with this large transaction. It involves more money than any other piece of business that was ever before this House since I came here, about fourteen years ago, which was about the time the gentleman from East Lambton became a member of the House. I have followed the proceedings of the House very closely ever since, and apart from the big votes we passed for war purposes, this is the biggest transaction that has ever been before the House. We should certainly, when dealing with our own money, have all the facts before us. Why should there be any mystery or back-door business about the thing? Why do we not know all about it? We are told to go to arbitration about this question. We are going to arbitrate, and get into our own

possession some property belonging to somebody else. I never saw a case of that kind, except where one person had made an offer to the party owning the property, for him to accept or refuse. If we are going to expropriate this stock—because it is a species of expropriation—where is the record of the offer of the Minister of Finance to Mackenzie and Mann for it? If he were going to buy it, the proper way would be for him to say to Mackenzie and Mann, "Here, we are going to take this stock, and will give you so much for it." Of course if they refuse to accept the amount, the proper course would be for the Minister of Finance to say: "If you do not accept it, we will go to arbitration." There was not a word submitted to this House in regard to any offer and if there were negotiations we are in entire ignorance in regard to them. As a business proposition, something like that should have been done, and it was not business for the minister to go ot Mackenzie and Mann and say: "We are going to take this stock, and we are going to appoint a number of arbitrators who will deal with it, and I am not going to say what it is worth, and I do not know what you will ask for it, but we will put ourselves entirely in the hands of those men who are going to arbitrate."

I submit that such a transaction as this would never be put through by any ordinary business man without first finding out in some way what was the value of the stock and what Mackenzie and Mann were willing to take for it.

As to the arbitration itself I submit that we have no knowledge at all as to what they would be willing to take for the stock, or that any effort was made to find that out. We have asked that the correspondence between the Government and Mackenzie and Mann and the pledgees of this stock in reference to this transaction be laid on the table of the House, that we might know what were the negotiations that led up to this legislation. I do not know if there was any correspondence or not, but if there was, it certainly should be laid on the table so that every member of this House and the press of this country should be put into possession of the facts. We have no knowledge as to whether an offer was made; or as to the answer to that offer. I submit that if this was only a $100 transaction, if the Government was simply buying a horse, the slipshod manner in which the business is being done would be unworthy of the transaction. Then how much more unworthy, when the transaction involves something like $650,000,000 or $700,000,000 of the people's money.

Suppose we were to approach a tribunal to get at the proper value of this stock; what should we do, or where should we go? If a precedent is required the Government established one a year ago last May or June, when legislation was passed in this House for taking over the Quebec and Saguenay railway. We had the same conditions in the country then as we have now, and the same Government, the same Minister of Finance, and the same Minister of Railways. In that case the value of the property that was to be taken over was to be determined by a certain line of arbitration. I am using the word "arbitration" in this case as being synonomous with the method of obtaining the property. On that occasion the matter was submitted to a court that was particularly fitted to deal with questions of that kind. That was the proper course to take, and it is extraordinary, when a similar transaction arises, that the Governement should not acquire the Canadian Northern Railway property in the same way that they acquired the Quebec and Saguenay property. Why not follow the same procedure and go to the same court in both cases? Many years ago we had in this country a standing committee of arbitration to deal with cases of this kind. I saw them for the last time in Cape Breton, I think, in 1887 or 1888, when they were sent down there to value the right of way of the Intercolonial which was being extended to the island of Cape Breton. That was before the days of the Exchequer Court. The Government of that day, and the people who were doing business in those days, found it convenient to do away with this whole business of arbitration, and the Government established the Exchequer Court. The old committee was disbanded, there being no further use for it. I wish to refer for a moment to section 19 of the Exchequer Court Act, chapter 140 of the Revised Statutes of Canada, 1900, which defines the jurisdiction of the Exchequer Court and the subjects with which it was particularly appointed to deal:

> The Exchequer Court shall have exclusive original jurisdiction in all cases in which demand is made or relief sought in respect of any matter which might, in England, be the subject of a suit or action against the Crown, and for greater certainty, but not so as to restrict the generality of the foregoing terms, it shall have exclusive original jurisdiction in all cases in which the land, goods or money of the subject are in the possession of the Crown, or in which the claim arises out of a contract entered into by or on behalf of the Crown.

So the Exchequer Court was created particularly for the purpose of dealing with cases of this kind. And when you have a court of that kind created for this specific purpose, it is beyond my comprehension why we do not avail ourselves of it, but try to create a court which must be far below the Exchequer Court in experience and capacity for dealing with such questions. In the arbitrator appointed by the Government we have, of course, an old jurist, and no doubt a very respectable man; but I have no knowledge, nor has anybody else here, of his having had any particular experience in dealing with the expropriation of any lands, property or stock. That does not come within the purview of the court over which he presides. On the other hand we have a court established for that purpose.

I see I have only one minute more, and it is a pretty hard proposition to deal with this matter when one is standing on the trapdoor and the black cap is going over his head. In that one minute I can only say that this is not the time to take over this road under public ownership, because we have not the money. According to the minister's statement the other day, we are paying out at least $30,000,000 a month on account of the war, which amounts to $360,000,000 in the year. That, together with the ordinary expenditure of this country to keep the wheels going, is such a load on the people of this country that we are not in a position to put ourselves under the obligation of $650,000,000 or $700,000,000 more. The time is not ripe, no matter what the merits of the case may be, and we should let the matter stand until a more suitable time. There are parts of this country where they have no railways at all, though this Government pledged itself two years ago to give extensions. If this transaction is to go through, farewell to any railway extension in that part of the country from which I come. I protest against this legislation, protest against its origin, the manner in which it has been brought forward, and everything connected with it. It was conceived in sin and brought forth in iniquity. If I had only a few more moments at my disposal, I should like to see it buried, and the epitaph over it which its merits deserve.

Mr. G. W. KYTE (Richmond, N.S.): I have a suggestion to make arising out of the proposition of the Minister of Trade and Commerce (Sir George Foster) to pass an Act through this House known as the Daylight Saving Bill. As that distinguished colleague of the Minister of Finance did not succeed in getting that legislation through, notwithstanding it had the approval, I suppose, of the other members of the Government, I would suggest that the hour proposed to be saved by the minister's Bill be appropriated to the Minister of Finance, the member for East Lambton (J. E. Armstrong) and the hon. member for Calgary (Mr. R. B. Bennett), so that members on this side of the House may have that much extra time to discuss this measure in place of the time having been taken up by the hon. gentlemen I have named.

I do not wish this debate to close without expressing my views on the question of the public ownership of railways in Canada under present conditions. Public ownership of railways in Canada has been an exceedingly extravagant ownership under the present government. The results to the country of the operation of the Intercolonial railway, during the past five or six years, are not, I am sure, such as will produce any great enthusiasm among the people of this country for further government ownership of railways. The argument in favour of government ownership of the Intercolonial, as respects that portion of Canada through which it passes, was that by reason of it being a government-owned railway the public would enjoy cheaper transporation rates than those enjoyed in other sections of Canada where the roads were owned by private corporations. The boon of reasonable railway rates was accorded to the people of the Maritime Provinces and of the Province of Quebec up to a recent period, but since this government came into power there seems to have been a combine entered into by the Government, the Canadian Pacific railway and the Canadian Northern railway, by which the rates of all these roads are brought up to the same level. As a matter of fact, although the Intercolonial is a government-owned road, those who have to make use of it in the Maritime Provinces enjoy no advantages whatever in the matter of rates at the present time. Freight rates have been largely increased by the Department of Railways within the last few weeks. So that in respect of rates nothing is to be gained by the general public by the public ownership of that railway. I am sure that if the Canadian Northern railway comes under the operation of the government the same con-

ditions of affairs will exist. I have heard loud complaints voiced by members of this House who represent constituencies in the West against the exorbitant freight rates they have been obliged to pay in that portion of the country served by railways owned by private corporations. But if they think that by the government taking over the control and management of the Canadian Northern Railway system they will enjoy lower freight and passenger rates, they are doomed to disappointment.

There is another matter which presents itself to me as an argument against government ownership. The hon. member for North Cape Breton (Mr. McKenzie) asked some weeks ago for a return showing the amount of money that had been spent for the upkeep of the Intercolonial extending from Point Tupper to the city of Sydney. Although no great improvements were made on the Intercolonial in that section of the country, the return showed that during the year 1916 the cost for the ordinary work on the upkeep of the Intercolonial had increased enormously over the year 1911. The explanation for that is that there was a municipal election in the province of Nova Scotia during the fall of 1916, and it is a fact that for some weeks before the holding of that election a gang of men were employed along the line of the Intercolonial from Point Tupper to Sydney, doing work which, if it were necessary, should have been done earlier in the season, and if it were not necessary, should not have been done at all. I do know that candidates of the Conservative party in that municipal election appeared to have carte blanche to employ men all over that section, on condition, of course, that their votes would be polled for Conservative candidates in the municipal election. I think we are getting down to pretty small business when the operation of a great railway in this country should be used for the purpose of promoting the political interests of municipal councillors. If the Government assumes the control of the Canadian Northern Railway system, if the present conditions prevail, the same thing will be true as regards the system of railway extending not only from Sydney to the city of Montreal, but clear across the continent and along all the branches of the Canadian Northern Railway system.

We have been very seriously embarrassed as regards the discussion of this question by reason of the Government's refusal to bring down information that is absolutely essential to enable us properly to discuss this question. The hon. member for North Cape Breton pointed out that, when the Minister of Finance was asked to produce the correspondence that led up to the proposals brought before Parliament by the Government, he said that there was no correspondence whatever. It is inconceivable to me that a transaction of this magnitude should have been carried on between a large railway corporation and the Government without a single line of correspondence to indicate the manner in which the negotiations were conducted. It appears as if the Government and the Canadian Northern railway interests had come to an agreement that, under any circumstances and under all conditions, this deal was to be made and the sum of money asked for by those interested should be paid by the Government irrespective of the merits of the transaction and irrespective of any opposition that might be developed to this legislation in the House of Commons.

It will perhaps be interesting to the House to know just the amount of money which Mackenzie and Mann or the Canadian Northern Railway company have obtained from the people of Canada up to the present time. As regards bonuses, land grants and securities for loans, I have the following statement which I desire to place upon Hansard. The province of Ontario granted to this corporation 2,000,000 acres of land; it gave it $1,825,000 in cash, and guarantees amounting to $7,860,000. The province of Quebec gave in cash $3,526,000. The province of Manitoba gave in cash $641,000, and guarantees amounting to $24,408,000. The province of Saskatchewan gave $8,258,000 in guarantees. The province of Alberta gave $8,719,000 in guarantees. The province of British Columbia gave $33,175,000 in guarantees. The Dominion Government gave 4,000,000 acres of land; $28,354,000 in cash, and guarantees amounting to $104,746,000. That was up to the year 1914. In 1914, the present Government gave to the system $45,000,000, and in 1916, $15,000,000. The cash payments to Mackenzie and Mann, therefore, amount to $94,346,000. Placing the land grants the company received from the Ontario and Dominion Governments at the very moderate price of $3 per acre, we have the sum of $18,000,000. In addition to that there is the sum of $70,000,000 of cash subsidies paid to this concern by the various municipalities throughout the country. That makes a total, in cash and land, of $182,346,000, and the guarantees total $187,166,000, making a total altogether in cash, land and guarantees, of $369,512,000. That is a nice sum for this

corporation to receive in respect of aids and subventions which they have obtained from the taxpayers of Canada. No other corporation in Canada has ever been treated so generously as has the Canadian Northern.

It was a great relief to Parliament, as it was a relief to the people of Canada, when in 1914, we received from the Minister of Finance, the Solicitor General and other members of the Government the assurance that that was positively the last time that Mackenzie and Mann would receive money from the federal treasury. Parliament was assured that if the sum of $45,000,000 was paid over to them on that occasion on no account would they get further aid. In order to convince Parliament and the country that they meant what they said the Government inserted in the Act authorizing this advance a clause which provided that in the event of default in payment of the interest upon their loans and advances the Government would step in and without any more formality take control of the assets of the corporation. Considerable opposition developed among the ranks of the Government to the proposal of 1914. This opposition was voiced more particularly by the hon. member for Kingston (Mr. Nickle) and the hon. member for Calgary (Mr. R. B. Bennett). I have no doubt it was the opposition which prevailed within the ranks of the Government that compelled them to introduce into the legislation the clause to which I have referred. There was a further guarantee made by the Minister of Finance, in respect of the control of the common stock. It was pointed out that the Canadian Northern Railway company might dispose of the common stock, or place it in the hands of pledgees, and thus render it impossible for the Government to get control if they desired to put into operation the clause in the Act of 1914 providing for the acquisition of the property of the company. The Minister of Finance told Parliament that the door was locked, that the stock of the Canadian Northern Railway company would remain in the treasury of the company, that it would not get into the hands of pledgees, and that therefore there could be no question arising as to the ability of the Government to acquire that stock whenever it might be necessary. The ground upon which this legislation is asked for, and upon which arbitration is provided for at the present time, is because since 1914 that stock has got into the hands of pledgees. If the Minister of Finance had kept faith and had kept his pledge to the people of this country and the members of this House, it would not be necessary to ask for this legislation.

The Prime Minister in the course of his observations last evening combatted the opposition on the part of the Liberals in this House to arbitration, on the ground that the commissioners, Messrs. Drayton and Acworth, suggested that arbitration proceedings should be adopted for the purpose of estimating the amount to which Mackenzie and Mann were entitled. It must not be forgotten, however, that the arbitrators did not admit that the Canadian Northern Railway Company or Mackenzie and Mann were entitled to one dollar in cash, but they reported that inasmuch as there was $60,000,000 of stock outstanding, it might be proper to apportion a part of that stock to Mackenzie and Mann, and the portion to be so allotted to them was to be estimated by arbitration. If this stock ever came to be worth anything, they would be able to get the advantage of the increased value. That is a very different proposal from the one before Parliament at the present time.

I will now refer briefly to the amendment proposed by the hon. member from St. John (Mr. Pugsley), which is the subject of discussion in this debate. This amendment provides that in the event of the award being made, and there being no appeal to the Supreme Court of Canada, the award shall not be paid to the holders of the stock until the whole matter has been submitted to Parliament. The Prime Minister endeavoured to lessen the effect of the argument of my hon. friend from St. John, as regards that amendment, by quoting the position of the Liberal party in the House of Commons in 1914, when the legislation to which I have just referred was under consideration. There is one reason why the amendment of the hon. gentleman from St. John should be accepted, and the final award of the arbitrators made subject to the approval of Parliament, and that is the experience we have had as regards the proceedings taken to fix the amount paid to the Quebec and Saguenay Railway company. Mr. Justice Cassels was selected by the Government under the statute to estimate the amount due the Quebec and Saguenay Railway company in respect of the property acquired by the Government under the legislation of last year. Counsel was appointed to represent the Government and the people, and was appointed for the purpose of reducing as much as possible the

amount of money to be paid to the Quebec and Saguenay Railway company under the terms of the Act. I have here before me the decision of Mr. Justice Cassels, in which the following significant paragraph appears:

> Crown counsel in their statement were of opinion that the two items of $500,000 and $794,869.58 should be taken as the cost up to that date, namely, July 1, 1898. I do not agree with that contention. I fail to see how it can be assumed without further proof that the proceeds of those interim bonds, namely $500,000, went into the construction of the railway.

Mr. Justice Cassels was investigating the amount of money that was put into the railway by the Quebec and Saguenay Railway Company, and it was determined by legislation that only such amount as was actually put into the construction of the railway should be paid by this Government when the road was taken over. Here was counsel for the Government admitting that two large items, amounting to $1,294,869.58, should be charged up against the Government of this country as part of the consideration to be paid to the railway. Mr. Justice Cassels was obliged to dissent from his argument, and strike out the sum of $1,294,869 which the lawyer for the Government agreed should be paid by the Government to the company. If instead of this matter being determined by Mr. Justice Cassels it was determined by two arbitrators under a provision that if they both agreed there should be no appeal, the taxpayers of this country would have lost $1,294,869 in respect of this transaction alone. The Government has refused to accept the arbitrament of Mr. Justice Cassels in this matter, preferring to have it adjusted by two arbitrators, one to be appointed by Mackenzie and Mann, and the other to be appointed by the Government. If those two arbitrators should agree, there is to be no appeal to any higher court and no appeal to Parliament. No doubt the Government will be represented by counsel, but what guarantee have we that it may not be the same counsel as appeared before Mr. Justice Cassels in the investigation into the cost of the Quebec and Saguenay Railway Company, and who considered it proper that the railway company should be awarded $1,294,869 to which Mr. Justice Cassels said they were not entitled? What guarantee have we under the present Bill that a very much larger sum will not be improperly paid by the taxpayers in respect of Mackenzie and Mann's alleged equity in the Canadian Northern railway? This is an argument which cannot be lightly turned aside. My hon. friend from St. John has provided a means whereby the people of the country will be absolutely protected against any collusion between Government counsel, the arbitrators and the interests to be benefited by this legislation. If the amendment is adopted, the public will be protected along the lines I have suggested; if the amendment is rejected, then there is no protection to the public, and whatever sum the arbitrators and the Government counsel decide to pay shall be paid out of the treasury of the country, and there will be no recourse and no redress for the people of Canada. There is no reason why this amendment should not be adopted, unless that reason is in line with a predetermined effort on the part of the Government and the Mackenzie-Mann interests, that they shall be paid a sum of money whether they are legally entitled to it or not. There has been some talk of party funds which have been contributed by railway corporations in the past, and taking the language of the hon. member for Calgary as it stands in Hansard, I assume he had reference to the contributions of the Canadian Northern Railway company. It has been a matter of corridor gossip around this House for the last two or three months, that certain party funds had been provided by this Government for the purpose of carrying on the coming election. I am not going to say that party funds are always illegitimate and always improper, but it has been said that certain party funds were collected by and under the control of the ex-Minister of Public Works (Mr. Rogers). That hon. gentleman has gone out of the Cabinet, and it is stated that he has taken the money with him and that it is not now available for the purposes of his party.

The SPEAKER: The hon. gentleman has exceeded his time.

Mr. KYTE: I did not get the notice of one minute before calling time.

Some hon. MEMBERS: Order.

Mr. KYTE: It may be that the Canadian Northern Railway company will contribute to the election fund of the Conservative party out of the money proposed to be awarded to them under this legislation.

Hon. Mr. BUREAU (Three Rivers) (translation): Mr. Speaker, when we consider the performance we are now witnessing, we may well ask ourselves what has struck the Government. Last night at a late hour, after a hard day's work, the hon.

Minister of Finance has seen fit to ask for the third reading of the Bill now before us. As soon as the proposal was laid before the House the hon. member for St. John (Mr. Pugsley) rose up in order to move an amendment and to add a few remarks in support of his amendment. After the member for St. John had taken his seat, we saw the Prime Minister rise, under the pretense of addressing the House and of discussing the amendment just proposed, and give us a speech—I should rather say, Mr. Speaker, to be more exact—a political harangue which to-day fills some fourteen pages of Hansard.

The Premier had just taken his seat, when the hon. member for Pictou (Mr. Macdonald) believing we had had enough labour done during the day, moved to adjourn the debate and, immediately, the hon. Minister of Finance moved that the gag be imposed upon us to-day. I was asking myself the reason for that proposal made by the Minister of Finance. When the matter came before the House today we were told: If you will assure us that the vote will be taken to-night, we will consent not to put before the House the motion for closure of which we have given notice. The Prime Minister's answer, Mr. Speaker, has set me athinking. I was asking myself why he did exact such a promise from us, and after having pondered over it quite a while, I think I have found a solution. The solution is a very simple one. Our position towards the adoption of this proposal was evident; we believe it to be an iniquitous measure and we have qualified it as such, we believed it contrary to public interest. He was setting a snare for us; he wanted us to say: Very well, we will consent to have the vote taken at eleven o'clock—and, the next day, you would have heard the Tory press, themselves and their friends, crying: See what a lot of humbugs they are, they oppose the Canadian Northern Bill, they have nothing to say, they have no suggestion to offer us, since they consent to the vote being taken at such an hour; therefore, they are only playing to the gallery. We refused our consent and we have had to suffer the penalty. I am one of those who believe in the law of compensation. This very evening, I have seen a striking example of it, when I heard the most appropriate remarks set forth, the very strong attitude taken by the hon. member for Calgary (Mr. Bennett) in connection with the adoption of the Bill. The Minister of Finance would have liked to answer him more at length; he had already, if I may use the expression, begun to stake out the argument he intended to make—for he has in no way replied to the member for Calgary—but, Mr. Speaker, you have recalled him to the fact that the gag rule, harsh for the Opposition, must also be merciless for the Minister of Finance, and the latter had to resume his seat, a victim of his own measure. It was his deserved punishment, for having prevented us from throwing more light upon the subject.

Mr. Speaker, I have listened tonight and paid much attention to the remarks made by the Prime Minister, not in defence of the Bill, for I do not believe any reasonable defence can be made in that line, but to the stump speech delivered by the Premier, and his very argument has struck me as the best reason that could be given to the House why this Bill should be voted down. Indeed, Mr. Speaker, when we have advanced $45,000,000 to the Canadian Northern in 1914, we made with that company an agreement, which is set forth in the statute of 1914, and in consequence of that agreement, the Parliament had the right, without any procedure, to authorize the Governor in Council to take over the stock, the value of which it is now intended to submit to an arbitration board. In the speeches delivered in 1914, this stock which we now wish to submit to an arbitration commission, was declared to be absolutely worthless, and it was then stated, to support the non-value of that stock that not one cent had ever been paid for this stock, and that the proceeds of the stock had never served nor contributed to the construction of the railroad. Now, what are the reasons advanced in order to justify this transaction? It is said it would be unfair to deprive a man of his property or of his rights, without giving him an opportunity to apply to a tribunal, if he feels wronged, and last night, the Premier, in prevision, I suppose, of the arbitration commission which shall be appointed, spoke as follows, on page 5394 of unrevised Hansard:

> Therefore, I say, under the Act of 1914, if the owners of the equity of redemption were able to show—as I think they have shown—that there is some reasonable claim for some value of the property over and above the encumbrances, we ought not to deny them the right to be heard.

Now, Mr. Speaker, the Prime Minister tells us: "As I think they have shown." These words mean something or they mean nothing; if they do mean anything, it must surely be that they have somewhere some information that they have not seen fit to

communicate to this House; certain details which they keep under the seal of secrecy. Who then has shown the Prime Minister the value of these shares, for I know, at least I suppose, that a prime Minister of Canada would not have made such an assertion, without having valid reasons and sufficient data to support that assertion. Was it wise on the part of the Prime Minister, under the present circumstances, when we are to submit to an arbitration commission the task of determining what is the value of this stock, when we, on this side of the House, have the words uttered by the Prime Minister in the first place, then by the Solicitor General (Mr. Meighen) and, lastly, by the Minister of Finance, to the effect that not a single cent had ever been paid for this stock, when we have the report of the Drayton-Acworth commission, experts appointed by the Government itself, telling us that this stock is absolutely worthless, was it not unwise, I say, on the part of the Prime Minister, to declare that the Canadian Northern properties represented some value, in spite of all the liabilities encumbering them?

Last evening I heard the Minister of Finance launching out vigorously against the lawyers; he stated that in any contract lawyers could find more difficulties in one minute than an ordinary man could find in a whole day. That reminds me that the hon. Minister of Finance, a few years ago, based a whole theory, when he pointed out before this House that he had won a certain medal in some college for studying the legal profession. But, notwithstanding all this, the Minister of Finance comes to this subtle conclusion that a judge or a lawyer would not dare maintain or consider that, when we acquire the company's assets, we do not become responsible for its liabilities. Technically speaking, no. But let us put aside this aspect of the question. When we become owners of the company's stock we acquire everything which constitutes that company, such as charter, rails, supplies or subsidies, in short everything which the railroad may have received. Were it not so, I should maintain that this transaction is a manifest robbery and made under false representations; that it is simply acquiring a capital stock which represents absolutely nothing. On the other hand, if we buy this railroad with all there is in it, we must likewise assume the liabilities encumbering it, as the assets are mortgaged for these liabilities. Besides, Mr. Speaker, can it be otherwise, since we are purchasing, so to say, the company's physical assets. What would happen should this company pass into the hands of a receiver and if it were sold? What would happen, if the Government did not acquire it? Another party or corporation would take it over, and that other party or corporation bought it at a sum lower than the total amount of the company's liabilities, then the creditors, coming in, in the last place, would lose their money. On the other hand should the Government take it over for a sum covering the total liabilities, for which we are immediately giving our guarantee, then the company's various creditors shall be repaid, which means that we are practically assuming all the debts which encumber the company and that, under the Bill we are now discussing. That means that, when we acquire the capital stock of the Canadian Northern we are also acquiring its liabilities, since we obtain full control. Why were we not given a detailed statement, a complete inventory of all that makes up both the assets and the liabilities of the company? Why do they want to compel the country into purchasing a property without any knowledge of what it is? The Prime Minister has also said something else in his harangue of last night. He has said that it was an elementary principle of justice that no one could take another man's property, except according to the prescriptions of the law. Further on in his speech he adds:

> It is an elementary principle of common justice embodied in all the provisions of the British Constitution that no man shall have his property taken from him, his rights taken away, or his liberty interfered with, unless he shall have had the opportunity of being heard before a competent tribunal in respect of his claim.

Then I ask, what becomes of the right to pass a contract? Here is a company coming before Parliament, asking it an advance of money and passing with this Parliament a contract in which it is stated: "If I do not meet any obligations, you will assume the control of the company." And this Act, which contains the very terms of the contract, specifies in what manner such control shall be assumed. It shall be declared that the stock to the amount of $60,000,000 or 600,000 shares of the company may, with the sanction of Parliament be taken in trust by the Governor in Council, by the Minister of Finance for the benefit of the Canadian people. This Act means something or it means nothing. If it means something all that the Government had to do was to come before Parliament and tell

us: We now ask you to declare that the provisions of the Act be enforced and we ask you to take over this stock without paying one cent. Is that taking that property unjustly? I say, no. A man has the right to sign a contract and he has the right, in the contract, to pledge himself to anything that is not immoral or contrary to public order. The Canadian Northern, through its president and its secretary, had agreed that its stock be transferred, in trust, to the Minister of Finance for the benefit of the Canadian people. I therefore say that the Prime Minister's argument is worth absolutely nothing. It is only a subterfuge he is trying to set up before the people in order to afford this arbitration commission an opportunity to put some kind of a value upon the company's assets, thereby helping the interests of the gentlemen who are here represented, as everybody knows, by the Minister of Finance. The Prime Minister must have forgotten himself, or he must have forgotten what he had just said, when he states that no man shall have his liberty interfered with unless he shall have the right to go before a tribunal to defend his claim. Mr. Speaker, the Prime Minister has a very short memory. When the conscription Bill was being discussed here we rose up in this House; we protested as strongly as we could, because it was intended to interfere with the subject's liberty; we have said: You have no right to impose such an Act upon the Canadian people, unless you go before the tribunal that must decide such matters, and that tribunal is the Canadian people themselves. What answer did we get? They laughed at us; they invoked urgency, they invoked the condition in which was, not only our country, but the whole world, and they said: "Gentlemen, a single hour's delay may bring on a catastrophe." To the subject they said: We deprive you of your liberty in this case, because it suits us; but cast a cloud of smoke over the other transactions we have made and which may not be transactions to suit the people's taste. However, for that measure which caused some members to declare in this House that the people were no longer in a state to govern themselves, but that they should be led and driven, the gag was not resorted to; but when the interests of Mackenzie and Mann come before the House, when the Canadian Northern's interests are at stake, the safety of the country is not the question—the matter is far more important—it is the safety of the interests which are represented by the Minister of Finance; it is the safety of the millionaires who hold the Canadian Northern's stock as a security and who to-day want to be repaid at par. Now, what are the objections which have generally been raised against this Bill introduced by the Government, and how did the latter meet them? Some Montreal financiers have dared to express their opinion, a few days ago, in a manifest published by a newspaper, and immediately, the cry went up: "Oh! those people represent the Canadian Pacific's interests." The next day, the Government's organ in the city of Ottawa, stated: "What do they fear? The shareholders and the directors of the Canadian Pacific Railway company fear that a competition, under Parliament control, will not allow them to charge the rates they can demand to-day." The argument falls to the ground and is ridiculous. You know, as well as I do, that the railroad freight rates are determined by the Board of Railway Commissioners. You know, just like me, that the Government railways, which were not under this board, as far as the freight rates were concerned, will be under such a control in the future and, consequently this is only a subterfuge. I have only another word to say and I take my seat. The Prime Minister has told us, last night again, that if we interfered with the Canadian Northern's obligations, such as they were, there would ensue a general confusion. Now, we are going to acquire the Canadian Northern by taking over the stock; we are going to give to that stock a value which it has not, and we will maintain, as board of management the same staff which is now administering it; a staff whose incapacity is a matter of public notoriety, for it came year after year to ask the Government's assistance, because it could not run the railroad so as to pay the interest upon the debentures. It seems as if they were telling us: We will acquire the stock in order to pay the debts, and at the same time, we are going to maintain the same administration which has been a disastrous one; we will allow the same staff keep on doing the same thing; we are going to have a second class road and entrust our millions to men who have themselves come before Parliament and admitted their own incapacity to run the concern with the only revenues they could get out of it. I therefore say that this Bill should be thrown out under such circumstances, because we have not had the time to discuss it fully, and because we have not been given the data which we

asked for. In concluding I may be allowed to state that, in the discussion, previous to the imposition of the gag rule, there are fifty pages of Hansard containing the opinion of the Opposition members, while that of the Government covers sixty-nine and a half pages.

Mr. ETHIER (Two Mountains) (translation): I do not intend, Mr. Speaker, to bring any new arguments in support of the objections which the Opposition has already raised against the Bill now before this House. I have already submitted to this hon. House the reasons for which I believe it my duty to object to the adoption of this Bill. The newspapers took hold of my protests. Throughout the country, the press has generally reported, accurately enough and as much as possible—that portion, at least, of the press which is not of the reptile kind—the arguments in favour of the passing of this Bill as well as those who offer opposition to it.

While glancing over this evening's newspapers, I noticed that a certain Montreal daily, La Patrie—I have much respect for the journalists, all of them, without regard to party, are, I believe, my best friends—has qualified as unprecedented the language which I used in order to denounce the transaction proposed by the Government. Is there any violence, Mr. Speaker, in denouncing the Government who, as I have stated the other evening, want to take away from us, particle by particle and shred by shred, every liberty which the British Constitution has guaranteed us? Is there any violence in denouncing this most iniquitous law of conscription? Is there any violence in denouncing this other more iniquitous law, perhaps, which they call the Military Voters Act? Is that resorting to violence when I most strongly denounce this feminine franchise Act which this House will soon be called upon to consider? Is that violence, I ask you, Mr. Speaker, to protest against the delivery of the country over to Messrs. Mackenzie and Mann?

In that report of La Patrie, it is moreover stated that I took up the greatest portion of the twenty minutes which had been allowed me, to the reading of extracts from the Drayton-Acworth commission's report.

Evidently, the correspondent of La Patrie was not in the press gallery when I made the speech to which he refers. Instead of sending over to his paper erroneous reports, why does he not publish the resolution adopted by a distinguished group of Montreal citizens and signed by financiers of the highest standing in the province of Quebec? Instead of manufacturing broadcloth a fanciful report, why does he not give the names of all those who are, directly or indirectly interested in the Canadian Northern Railway company; why does he not publish in extenso the remarkable speech delivered this afternoon by the hon. member for Calgary (Mr. Bennett), without omitting the so-called defence of the hon. Minister of Finance who, in spite of all his efforts, has not been able to reply to the objections raised by his colleagues.

I have just returned from the county of Two Mountains, which I have the honour to represent in this House; I there met the most important citizens of my county and also the best known men of Terrebonne county, at St. Jerome, and of the county of Argenteuil, in Lachute. I am prepared to assure you, Mr. Speaker, that in spite of the efforts of the Nationalist party, in spite of the aid of certain people hailing from Quebec, in order to lend a helping hand to their Ottawa friends, in spite of the efforts of the Opposition leader in Quebec, the county of Two Mountains will give, by its vote, a majority to your honourable servant, because he has defended the peoples' interests; because he has strongly protested against and opposed this Canadian Northern deal; and the county of Terrebonne, where Mr. Prevost has been chosen as the future representative, will probably elect that gentleman by acclamation. As to the county of Argenteuil, I think I may tell you that its present representative, Sir George Perley, shall be crushed, notwithstanding all his millions, on account of this very law.

If we may judge from the insistence and the persistence shown in his defence, or at least, his would-be defence, by the Minister of Finance, against the charges set forth by my hon. friend from Calgary, the weakness of his cause is self-evident. Notwithstanding the arguments advanced by the Minister of Finance with reference to lawyers—although himself a lawyer—he should not forget that it would not hurt him should he pursue somewhat further his law studies and try to obtain a bacherlor's degree or again the title of King's Council, in spite of all the medals he may have won.

Now, Mr. Speaker, what is the main clause of the Bill. Here it is:

His Majesty may acquire the six hundred thousand shares of capital stock of the Canadian Northern Railway Company (par value sixty million dollars), not now held by the Minister of Finance in trust for His Majesty, on such terms and conditions satisfactory to the Governor in Council as may be set out in an agree-

ment to be made between His Majesty and the owners and pledgees of not less than five-sixths thereof, and for a price to be determined by arbitration as hereinafter provided.

We are called upon to vote and to express our opinion as to that clause, and also upon the following amendment moved by my hon. friend from St. John (Mr. Pugsley):

That the Bill be not now read a third time, but it be referred back to the Committee of the Whole with instructions that they have power to amend the same by inserting between the word "may" and "acquire" in line 1 of section one the words "subject to the approval by Parliament of the award hereafter provided for."

Section 4 provides for the appointment of one arbitrator by the Governor in Council, of another one appointed by a majority of the owners and pledgees of the company's stock, and finally, these two arbitrators to appoint a third one.

Why do they object to the amendment moved by the hon. member for St. John, which states that the award of these arbitrators appointed by the interested parties, shall be subject to the approval of Parliament? Why, I ask you the reason, Mr. Speaker? Is it because they are afraid of Parliament? They should not, however, have any fear of it. Why these puerile apprehensions? Have you shown by your behaviour during the few months past, that you feared Parliament? Have you not always the Minister of Finance and the Solicitor General (Mr. Meighen) ready to take up your defence? Will you not have, in the statutes, that gag rule, which you unhesitatingly apply, twice in the same week in order to push through the adoption of a Bill which every honest man condemns? Cynicism is your own breeding, do not disown it. In the future, as by the past, will you not be able to trample underfoot the rights and liberties of the people? I repeat it to you, iniquitous, reptile, corrupted, Boche and Prussian Government—for you are all that—you should not be afraid of the amendment moved by the hon. member for St. John.

But what you fear, for instance, is that this arbitration award might not be given and submitted to Parliament before the expiration, now close at hand. You are afraid that this arbitration award should not be made in time to be passed upon by this Parliament, because your moribund Parliament shall have expired. You should accept that amendment because it is sincere, for you must know, should the award be given before October 7, that you always have at your disposal the gag which you are so fully using to-night.

The Minister of Finance says: But there are only two ways of solving the question: either the Government must take it over, or the Canadian Pacific will buy it. But, is there any such proposal before this House? Did the present Government ever propose to Lord Shaughnessy, or to the Canadian Pacific authorities, to purchase the Canadian Northern? Most probably, the Canadian Pacific would have refused to do so. But this proposal of the Minister of Finance has never been laid before the House, and the proposal he suggests does not exist.

No, the Government take it over and, as the hon. Minister of Finance has just said a few minutes ago: "We intend to run the affairs of the company in the same way as they are being run at present."

Would it not be, perchance, the Government's intention after the general elections—should they be returned into power, what I neither expect nor believe—to hand over to Mackenzie and Mann this same railroad which we are now purchasing from these same parties?

Now, why did they not offer this railway to the Canadian Pacific? Because they well knew that the Canadian Pacific would not accept it. But, if the Canadian Pacific company manage their concern and declare dividends, as they do, why could not Mackenzie and Mann, with the subsidies and the millions they have been receiving from the country; with the subsidies, both in cash and in land, which they have received from all the provinces—except that of Quebec and the Maritime provinces—why could not those millionaires, Mann and Mackenzie manage this railroad on a business footing.

Why? It is because they have taken both the stock and the subsidies granted them, to invest them in the Toronto Street railway.

Some MEMBERS: Hear, hear.

Mr. ETHIER (translation): Ah! here are a few who seem to know something about it, I should not be surprised if they were interested in the Toronto Street railway. And, it is also because Mackenzie and Mann have used these millions, so obtained, to invest them in Mexico, in the Argentine Republic and in Brazil, where they have hidden these stocks under assumed names, in order to save themselves bankruptcy, a bankruptcy they now invoke and which they want to saddle on Canada under the protection of the present Government.

Were an investigation made into the private pecuniary means of Mackenzie and Mann—of the Mann family alone, and of the Mackenzie family, privately, what would we discover? Here are people who, twenty years ago, were not worth one cent, who were lobbying in the House of Commons in 1896 and previously; who were small common contractors and to-day they are arch-millionaires. Where did they get their money, if it be not with the country's money they have stolen, which they have used for their personal ends, and who again today want to be paid and repaid from the public treasury?

I was speaking, a few moments ago, upon the amendment of the hon. member for St. John (Mr. Pugsley) and I asked the Government whether they were afraid of having Parliament ratify the arbitrators' award. The Government cannot be afraid of that arbitration award, for if it should not suit them, they would only have to do as they did in order to whitewash Bob Rogers; they will only have to appoint new arbitrators to ratify the award; they will only have to contest that award and appoint other arbitrators to ratify as they please and to make a second award, just as the judges, McLeod and Tellier, have done to whitewash the black we call Bob Rogers; they would only have to do as they did in the case of the O'Connor investigation that is to say, appoint another judge of their caste, of their kind, of their opinion, to disprove the opinion of their own friends. It is an easy matter. Weathercocks are well known on the other side of the House, weathercocks exist since 1911. Before that, they were unknown. They change and turn round like the wind, and every one opposite is satisfied.

Mr. Speaker, I was amused to listen to the hon. member for Calgary (Mr. Bennett) denouncing so vehemently the transaction now before us. He is an excellent lawyer, he argues his case to perfection; but he can draw arguments contrary to the principle he lays down.

Hearing him, as we have done the other day, upon the Bill's second reading, we would have been led to believe that the conclusion of his premises would be a direct condemnation of the Act as submitted, just as he did in 1914. But no, Mr. Bennett is compliant, the hon. member for Calgary has a compliant temper; a versatility of judgment which the House has had the opportunity to appreciate. Believing he was against Mackenzie and Mann, after he had accused them of robbery, of forgery, after he had charged them with dilapidating the public treasury, Mr. Bennett says: That is all true, but, anyway, they are my own creatures, they are creatures of the hon Solicitor General, they are creatures of the Government which I must support, they are creatures of the Government that appointed me head of the National Service, I have to earn my money, and I vote for Mackenzie and Mann.

Mr. GEORGE E. McCRANEY (Saskatoon): Mr. Speaker, I have noticed during this debate that the Government are putting forth this measure as an acceptation on their part of the principle of government ownership and are claiming for the proposal all the virtues which should belong to government ownership. I myself am in favour of government ownership as a general principle. But in the fourth year of an unfinished war; when we have yet no idea what our financial undertakings may have to be; when we have a national debt which has run well over one billion dollars; when we have been obliged to pay nearly eight per cent for the last loan on the New York market; and when we have in prospect in taking over the Canadian Northern railway, an expenditure for betterments of over $80,000,000, I would most strongly advise this Government to have nothing to do with any proposal of government ownership at this time. The pretended virtue, however, arises out of what is really a dire necessity. To me it looks like a pretty bad case of a mortgagee having to take over a security which he would not be disposed to take under any other circumstances. We have put a lot of money into the Canadian Northern railway, and as a system it is wrapped up with the national future of this country. But at this time to undertake its ownership and to raise money for carrying on its improvements seems to be very doubtful policy. The ownership of the Canadian Northern railway is so far from bringing any advantage to this country at this time that, instead of taking it on even terms we should be receiving a very large subsidy from Mackenzie and Mann for at this time having to assume the responsibilities of the system.

I shall not discuss in connection with this proposal the question of receivership or expropriation. The Act of 1914, it appears to me, gives an adequate remedy in the circumstances. The circumstances are not

circumstances of purchase; they are circumstances of foreclosure. If the Government, apart altogether from the liabilities under which they stand and as carrying out any scheme of national undertaking with this railway, were to come to Parliament, they would come here as a matter of purchasing title to the Canadian Northern railway and not of acting under terms of foreclosure. The terms of foreclosure are contained in section 24 of the Act of 1914, which has been read so often that I shall not repeat it; but the authority of the Act is not to be invoked except on conditions imposed by Parliament. Bearing in mind that the conditions are conditions of foreclosure, this Bill proposes that the conditions to be imposed by Parliament are the payment of money by the mortgagee to the mortgagor. I never heard of such a term or condition being imposed in foreclosure proceedings. The terms of foreclosure proceedings are a period given to the mortgagor to redeem, or a sale. I can quite believe that when this arrangement was made between the Government and the Canadian Northern railway in 1914, those very questions were considered. There was no purpose in giving to a concern of the magnitude of the Canadian Northern railway a provision of a few months in which they might reorganize their finances before being foreclosed. At any rate, if to-day it were thought desirable, that would be one of the terms to which this legislation might apply. Another term might be that there should be sale, but the policy of this Parliament is against sale to the only corporation that could buy the road. The legistion of 1914 contemplates circumstances which could arise under foreclosure, and we have to decide whether we should act under that legislation at this time. The Finance Minister has pointed out to us, and I accept his argument, that it is desirable that Parliament, instead of using the Act of 1914, should acquire title through the stock certificates. To my mind the stock certificates are valueless to the stockholders, because with the liability which there is against the Canadian Northern railway they have no value to any person apart from the legislation which this Parliament is now putting through. The holders of those stock certificates, apart from the fact that this Parliament is likely to enact this legislation, cannot get one cent on the dollar for these certificates on the market.

I think that is the test of their value. But I accept the reason which the Finance Minister gives, that it is desirable that we acquire the capital stock of the company rather than act under foreclosure, which gives us the physical properties of the company, apart from the capital stock. In going into that matter, or making any payment, I would act as a mortgagee would act who had to take over a property he did not want to take and had to expend money on improvements, and I would consider what he could afford to give the mortgagor for title rather than to take foreclosure proceedings. On that basis alone would I discuss it. I would certainly not consider any sum which might be paid by the mortgagee to the mortgagor, or by this Government to the holders of the stock, as a matter of right. I would consider the question as to whether it was desirable in this case to acquire the capital stock in the light of the amount of money which we have to pay for it, and in that light alone. Otherwise I would stand by the foreclosure proceedings provided in the Act of 1914. I am opposed to this idea, in connection with foreclosure proceedings, of submitting to the court of arbitration, as a matter of legal right, the authority to give any judgment from one dollar to sixty million, but I would like to have the report of the commission as to what sum this Parliament could afford to pay the holders of these stock certificates to get the title in that way rather than foreclosure. Then let them report here; let Parliament consider whether it wants to take the title by foreclosure, or through the capital stock. It seems to me in this whole discussion we are confusing two questions, the question of public ownership on one hand—which ownership we would get by purchase and through the capital stock—and the question of foreclosure proceedings, that is, taking over a property which, at this time, we do not want, and which we would have on our hands. Holding that view, I am going to support the amendment of the hon. member for St. John (Mr. Pugsley).

Mr. CARDIN (Richelieu) (translation): The Government, Mr. Speaker, have evidently acted upon a wrong inspiration, when they saw fit to make use of the arbitrary power, given them by the rule of closure, in order to compel the passing into law of the Bill we are discussing to-night. When that closure regulation was adopted, we were given to understand that it would be only enforced in cases of extreme gravity; that, most probably it would have to remain a dead letter. None of us ever dreamed, in

those days, that it could be utilized with the object of forcing Parliament to enact a law authorizing such a dark transaction as the one now submitted to our consideration. What is being done to-day fully justifies the most energetic opposition which the Liberal minority then made to this autocratic regulation. Mr. Speaker, just as, in the wake of a ship, one may sometimes see the voracious shark awaiting, as its prey the corpses cast into the sea for its next pasture; thus, after a battle's slaughtering, the vulture rends the bloody flesh of the dead bodies strewn along the upset furrows; so, in our own country, when the people are already bent under the burden of utmost sacrifice, voracious ravens are fattening at the people's expense, and some of them are even coining money upon the very hardships and upon the blood of the country's sons. It seems to me that the two most dangerous ones are those which seemingly constitute the occult strength which is the main-spring of the activities of the present Government.

In 1914, Mr. Speaker, you may still remember it, in the lobbies of the House of Commons, any one could hear the dull sound of money being accumulated in bags or in the private purses of twin individual money getters, Mackenzie and Mann; such a noise made us feel quite uneasy, and we were expecting an appeal in favour of such a "poorness," in favour of those same gentlemen who had made a fortune and become wealthy by the single management of the Canadian Northern railway. They were calling for help, telling the Government that they needed, so they said, a sum of $45,000,000 in order to meet the urgent demands and expenses they had to pay towards the maintenance and the operating of that railroad. At that time, they pretended that this sum of $45,000,000, which they were begging from the Government, as a guarantee, would be quite sufficient to permit them to continue the operating of the railroad. We were also told: You will have sufficient guarantee against any possible danger. As a matter of fact, Mr. Speaker, that loan or advance of funds, was made after an agreement had been entered into through which a certain portion of the company's capital stock was transferred to the Government, and we were repeatedly given to understand—it is in the Act itself—that in the case where the company should default in paying the principal and interests, the so-called equity of redemption which it had reserved, would become foreclosed, and that the Parliament could, through ordinary procedure, declare that the railroad had become a State property.

The Liberal party, Mr. Speaker, harboured then most serious suspicions; they did greatly hesitate before accepting the word of those who were attempting to bleed the public treasury. The fears entertained in those days by the Liberal party were more than justified, since, in the year 1917, which might be rightly called the "plague year", we see these bad millionaire beggars coming again before Parliament; we see before us the same people who should never have returned before Parliament. To-day, they want to sell to the Government what is actually the property of this country, by right; and the Government, through an excess of generosity towards these gentlemen, I might almost say, through an impulse of gratitude, wants to have a commission appointed in order to estimate what may be the value to Mackenzie and Mann of a property, which, by right, belongs to the country.

In 1914, an equity of redemption was provided for. Since then, that right has ceased to exist. Those who might have used it, did lose their privilege. I say that the Government deserve the most severe censure for the demand they are making, through this legislation in order to obtain authority for taking over the stock of the Canadian Northern company.

Mr. Speaker, the situation in which our country now finds itself is, everybody knows, a desperate one. The gaunt spectre of famine is already looming on the horizon; a heart-rending anxiety oppresses every honest and intelligent citizen; and now the Government want us to throw millions into the whirlpool of that bankruptcy, called the Canadian Northern railway. While the people are toiling, suffering and dying, they mean to saddle upon them a fabulous debt for the benefit of some friendly speculators. It is only to permit those unscrupulous financiers to plunder the public treasury, that they mean to force Parliament into enacting such a law. A despotic Government, authorizing a transaction of such a nature, does no longer represent the people of this country; and their action can only justify me in believing that they rather represent that disreputable class of war profiteers and of Canadian bloodmongers.

What! such a discredited Government as this one, a Government that fears elections, that is afraid to appeal to the country, would, before going out of power, drain to

such an extent the public treasury! They even dare to limit the discussion of such a Bill; and, Mr. Speaker, they arm you with a mallet to count the minutes taken up in the discussion of that Act which must saddle upon the people an additional indebtedness of $600,000,000.

What a sad sight, when the whole world is shivering under the blows of a world war! What an insolence on the part of a Government having no mandate from the people!

The present Government, it should not be forgotten, only exists on account of a compromise. Its very existence is not absolutely regular. When that compromise was agreed to, it was understood, if not absolutely, at least indirectly, that during the existence so extended of this Parliament, no contentious measures should be submitted to it for final adoption.

Now, the Bill we are now discussing is not only of a contentious nature; such an Act would spell disaster to the country, and the Government have, in no way, justified their action. What do they say to justify the measure now submitted to Parliament? They say that the credit of Canada would be compromised, should we allow this railroad to pass into the hands of a liquidator or of a receiver. I submit that such an argument is groundless. Admitting there might be some truth in such a pretension, Canada's credit could only be affected indirectly, were the Canadian Northern company to be put into liquidation or in receivership. Canada's credit would only be affected indirectly. But should the country itself assume the burden, in pursuance of the Act which the Government intend imposing upon us, should the country accept all the responsibilities, all the liabilities with which the railroad is encumbered, its credit will directly suffer a diminution and will be considerably affected.

We are moreover told that this Bill leads us towards nationalization. I submit, Mr. Speaker, that the time is ill chosen to talk of state-ownership. When our country is suffering so much on account of the war, when the financial crisis places us in our present difficult situation, I say that the country has no money to risk in such an undertaking. And why expend such a considerable sum as shall probably be fixed by the arbitration commission, in order to acquire this railroad and nationalize it, when, under the Act of 1914, the Government might take it over and nationalize it, without the country spending one cent? And, Mr. Speaker, it seems to me that it would be applying a very wrong principle in order to nationalize railways, to lay out heavy sums of money for the purchase of an insolvent company. If the present Government is ready to pay a fabulous amount to acquire the capital stock of an insolvent company, what a formidable sum will it not be compelled to pay when it will have decided to nationalize a railway managed by a solvent company? Far from leading us towards nationalization, I say that the present Bill rather removes us further from it, because it sets down a principle which will render impossible—because too onerous—the nationalization of the companies in full prosperity.

It is moreover stated that it is not fair to take over this property without paying and to take away their rights from those who hold shares of this company's capital stock. But, Mr. Speaker, what is the present value, what is the actual value of the stock which Mackenzie and Mann may have in the Canadian Northern Railway Company? That company is practically in bankruptcy. Its shares are absolutely worthless. The liabilities exceed the assets, and if we undertake to pay the debts, it seems to me that we should not bind ourselves to pay a "bonus" to those who have contracted such an indebtedness. Since when is an insolvent company a rich one? We are told: "Have no fear, the arbitration commission to be appointed, shall protect the people's interests."

The mere fact of appointing a commission to determine the value of the company's capital stock is tantamount to admitting that it has some actual value. The mere fact of appointing or of consulting a commission to define the value of the stock we intend to buy, constitutes a formal admission that we recognize some kind of a value in this capital stock, which de facto and by right, should already be to-day the country's property. Mr. Speaker, there is no need either to appoint a commission to determine the value of an insolvent company's capital stock. I say it is an insult to the most elementary common sense to come and pretend that we should pay anything for definitely acquiring the balance of this insolvent company's capital stock. I was quite right in stating when I opened my remarks, that the transaction proposed to us by this Act is rather a hazy one.

Did any one speak of a commission in 1914? Did the hon. Solicitor General, who was the sponsor of the Act of 1914, mention

a commission to estimate the shares which were to be taken over in the case of the company being in default? The hon. Minister of Finance and certain other hon. gentlemen who then supported that proposal, wreathed a garland of flowers for the hon. Solicitor General because he had prepared that Act which thus entitled the Government to acquire the Canadian Northern without spending a single cent. And to-day, Mr. Speaker, they are coming with new sophistry, with new exaggerations and new imaginative schemes, and trying to make the people of this country believe that it is necessary to appoint a commission to value this stock. Either we were imposed upon in 1914 or we are being imposed upon to-day. When we were told in 1914, that we could acquire this railroad without spending a cent, without the necessity of going before the courts, we were therefore deceived. We are told that it is Sir William Meredith, Chief Justice of the province of Ontario, who will be appointed as the Government arbitrator, to value this capital stock. May I be allowed to state, Mr. Speaker, that I strongly doubt whether this distinguished magistrate will accept such a position, because it really seems to me he would bring discredit upon himself by accepting such a position as that offered him, a position that will compel him to declare, if he wants to follow the Government's instructions, that ruin is wealth, bankruptcy a progress, and failure a success.

Mr. Speaker, I am sure of one thing, that is if, to pay him his salary for the commissions he has been called upon to preside, he had been offered stock of the Canadian Northern company's, he would certainly have refused it.

We might ask ourselves, Mr. Speaker, what are we to do? Since we do not accept the Government's project, what can we do? Simply apply the Act of 1914, take over the railroad which is already, by right, the country's property. And if Messrs. Mackenzie and Mann were bold enough to pretend that the capital stock of their company still have a par value, we could sell them back to them. They are perfectly able to buy this railroad with the pennies and the millions they have made in ruining it.

Mr. Speaker, should the Government acquire this road, under the Act of 1914, even if they took it over under the Act proposed to-day, I say that they should rid the company of the worthless administration that has led it into bankruptcy.

[Mr. Cardin.]

The right hon. Prime Minister stated yesterday in his stump speech, that this railway's organization should not be destroyed; that the way of letting it expand, the way of developing it to the country's benefit, was to preserve its present administration. I say that the present administration that has led this railroad into ruin, should be discharged, if the Government see fit to take it over.

On behalf of the electors whom I represent, and I believe I might also say in the name of the province of Quebec, I protest against this Bill, and I demand that the solution of such an important question as this one be left to the care of a Government holding a direct mandate from the people. I deny to the present Government the right to so heavily burden the people of our country. And, by-the-way, I believe that this Government have not, upon their own admission, the required authority to deal with a question of so grave an importance; for, since several months already, Mr. Speaker, they are in quest of new blood, they beg a coalition which those they want to come in refuse to join in and which would be worthless with others who are offering themselves.

I think the amendment of the hon. member for St. John (Mr. Pugsley) should be accepted. This extreme means would permit us to safeguard the people's rights, to a certain extent.

I am confident, Mr. Speaker, that the people, in their just wrath, will shatter those who are lauding their valour and their sons' heroism only to better impose upon them.

Will you allow me to tell you, Mr. Speaker, before I take my seat, that every knock of your mallet drives a nail into the Government's coffin; that the hollow sound of the table under its repeated strokes echoes harshly, in our ears, but does not reach our hearts. The people cannot mourn over that coffin. When it will have itself, through its ballots, sealed that misshapen box, it will be with enthusiasm that it will sing the joyous hymn of relief which the purified echoes of our country will repeat ad infinitum.

Mr. W. A. BUCHANAN (Medicine Hat): In so far as this measure before the House means the taking possession of the Canadian Northern railway by the people of Canada I have no objection to it, but there are certain features of it to which I do object, and I think in voicing the view I shall

voice here to-night I represent the opinion largely of the people of this country

When this Government gave assistance to the Canadian Northern railway in 1914 I am satisfied that the public felt that if the Canadian Northern railway did not in the future meet its obligations to the Government that railroad would automatically pass into the possession of the people of Canada without any more money being handed over to the parties behind the railway company. Now the prospect before us is this: That under arbitration the men behind the railroad may get from the Parliament of Canada more money of the people of this country, and the people of this country do not think that these interests should receive any more assistance out of the public treasury. Consequently, I feel that the public are opposed to that feature of the measure.

I am in favour of government ownership, and I come from a part of the country where the idea of government ownership is held by most of the people. Under this measure we are acquiring not only a very extensive railroad system throughout Canada, but also a telegraph system, an express system and other properties of value. But practically all this system—express, telegraph and railroad—has been created out of the money of the people of Canada, and when the gentlemen who started the Canadian Northern railway with high ambitions, thinking they were going to have a transcontinental system, failed in their efforts there is no reason why we should adopt any measure to provide them with more assistance from the people. They took their chance and failed, and consequently this property of theirs should come into our possession on account of the assistance we have given so extensively during recent years. I might compare their situation to the situation of many men in Western Canada who invested their money in subdivisions of real estate. They had ahead of them the prospect of making a fortune, but they failed to realize their ambitions. Nobody came to their assistance. In many cases the properties have been sold for taxes, or have passed back to their original owners. And so it is with the promoters of this railroad. They came to the Government of Canada and to the provinces of Canada and received assistance, and with all that assistance they have failed to meet their obligations. They should, therefore, be placed in the same position as the man who gambled in real estate and failed; they should lose their property and that property should come into possession of the people of Canada, because the people of Canada practically provided the means whereby this road was created.

The commission appointed by this Government have told us, as I understand it, that the balance of the stock is not worth anything. Now, if it is not worth anything, why should there be any arbitration to decide the value of the stock? I am not a lawyer, I am an ordinary layman, but I come to the conclusion at once, that if a commission of reputable men say the stock is not worth anything, I do not see any reason why arbitrators should be appointed to find out whether the stock is worth anything or not.

We have before us an amendment providing that the arbitrators the Government are going to appoint shall submit their report to Parliament, for Parliament to reject or sanction. I am in favour of that amendment, and I believe the people of this country are in favour of it. I am going to conclude my remarks by reading part of an article from a paper that is of much influence in Western Canada, especially amongst the farmers there; it voices their views, and is not always antagonistic to this Government. It praises the Government when it is right, and criticises it when it is wrong. Its article in connection with the Canadian Northern railway is not a severe criticism of the Government proposal, but it certainly commends the amendment that has been moved by the hon. member for St. John. I will read it for the information of the House:

> On a proposition of this magnitude it would seem quite reasonable that the decision of the Board of Arbitration should be submitted to the next Parliament to be passed upon. How much the promoters of the Canadian Northern Railway will make out of stock manipulation nobody knows, but it can safely be assumed that it will be a tidy sum. The fact that the Canadian Northern Railway promoters are apparently quite satisfied with the present deal arouses widespread suspicion. For form's sake at least it would have been better to have heard them all kicking and kicking hard. We may take it for granted that Mackenzie and Mann will make more by selling the road to the Government than they would make by operating it themselves.
>
> No doubt there will also be a very satisfactory contribution to the campaign funds, and as usual, probably both political parties will benefit thereby. But even though the cost will be high it cannot be any higher than it has been under the old system of giving the Canadian Northern Railway promoters all they want from the public treasury with no return.

This article approves the proposal that the award of the board of arbitrators should be

submitted to Parliament to be passed upon. This is an independent newspaper representing very important organizations in western Canada, and, I believe, it voices the sentiments of the bulk of the people of western Canada. So far as I personally am concerned, I am in favour of Canada acquiring this road, because of its failure to meet its obligations, but I am opposed to arbitration, because there is a possibility that, under arbitration, we shall be called upon to contribute more money to people interested in the road. If there is to be arbitration, then I agree with the sentiments expressed in this article, namely, that the report of the board of arbitrators should be submitted to Parliament.

Hon. FRANK OLIVER (Edmonton): Mr. Speaker, this is a war session of a war Parliament. The only reason why this Parliament is sitting to-day is because a world-war is in progress. We are here not by the mandate of the people but by our own decision under pretense that world-war conditions, in which war Canada was taking part, were of such character and of such gravity as did not permit that intervention of the people of Canada in the management of their own affairs that is provided by the constitution. Under these circumstances after the war has been in progress for three years, when no man can tell how much longer it will run nor what the result will be; after the debt of Canada has been increased to $1,250,000,000, of which $750,000,000 is war debt, we are asked to consider and to assent to a proposition that, in one week's debate of this dead Parliament, we shall add to the debt of Canada within measurable distance of what has been added to that debt by the three years of war in which we have been engaged.

It is true that we are to have assets in respect of those liabilities amounting to $650,000,000 which we shall assume, and if the assets that we assume, as a previous speaker has said, will earn the fixed charges upon them, then there is no addition to our net debt. But does any one suppose that the administration of 9,500 miles of railroad under this Government, judged by the results of its administration of the Intercolonial and of the Transcontinental, will result in earning interest on that vast sum of money? That would be the vision of a wild imagination. We have been running railroads in Canada for fifty years, and government operation of railroads has never yet paid a cent on capital cost. Not only has it never done that, but tens of millions of dollars have been added to capital cost because of failure to pay running expenses. Under those circumstances, it is no figure of speech to say that the Act of to-day that will pass at two o'clock in the morning, will add to the debt, to the liabilities, to the non-earning liabilities of the people of Canada, nearly as much as our three years of war have done.

If we are to take effective part in this war, we must have credit and we must have money, and if we destroy our credit by assuming non-productive liabilities of such a stupendous amount, where and how are we to get the money that will enable us to take that part in the war that it is our duty to take? It has been said already during this debate that Canada's credit has reached a point at which she can borrow only on short terms and at an abnormally high rate of interest. A few weeks ago we borrowed $100,000,000 in New York for only two years, and we are paying what amounts to 8 per cent for that money. That was before we entered upon this undertaking to assume ownership of the Canadian Northern Railway, to assume the obligations which the Canadian Northern Railway company has undertaken, to assume the responsibilities of management of 9,500 miles of railway, when we have proved before the world during half a century that we cannot manage 1,000 miles of railway and make it pay. We are undertaking to submit to arbitration the question whether this country shall have to pay in addition up to $60,000,000 for that which we have evidence is of absolutely no value. If our credit was as it was four weeks ago, what will it be to-day or to-morrow after this Bill passes?

I have already said, in the course of the discussion on this Bill, that it does not bear the marks of an honest transaction. If this Government intended to deal honestly by the people of Canada, they would not come to Parliament with a proposal that we should arbitrate upon the question of whether that which was valued at nothing at all was or was not worth $60,000,000, They would have made their arrangements, whatever they might be, before they came to Parliament, and they would be able to say that by the payment of a certain amount of money we would achieve the ownership desired. That would have been honest, that would have been fair. Such a proposal as they bring to-day is not honest and it is not fair. It is an attempt to humbug, to mislead, to rob the

people of Canada under pretence of law and right.

Is it a matter of importance to the people of Canada to-day that their credit shall be kept up? Is it a matter of importance to them whether or not they can raise more money for the prosecution of the war? We are being called upon to send our men—the casualty lists in this evening's paper cover a page—and we are expected to back up those men with more men. And what are we going to do in regard to money if we have spent our money for that which has no value, if we have burdened our credit so we have no more credit? I ask you, what is our position going to be? It was said in the House the other day that munition-making was being shut down in Canada because the Canadian Government was unable to finance the making of munitions in Canada. It was said that the purchase of bacon in Canada for British supplies had ceased for the same reason. Because the United States was able to continue to finance the making of munitions, and the purchase of bacon, munition-making and the purchase of bacon are continuing in the States, while both were being shut down in Canada. Is this a matter for light consideration? Is it a light thing that we should see our industries shut down and the products of our farms left in our warehouses, or going to the Allies through the medium of our neighbours, because our Government has seen fit to destroy our credit and to spend our money in this enterprise they are undertaking at the present time?

I have nothing to say against the Canadian Northern Railway company and I have nothing to say against the Canadian Northern railway. It is a great enterprise, and I have every confidence that under other circumstances it would have been a success. I would have been glad to see means taken to tide the enterprise over present difficulties, so that it would still become a success. However, that is not the question before the House. The question before us is the payment of an unknown amount, not to the Canadian Northern Railway Company, not to Mackenzie and Mann, the projectors and controllers of that railway company, but to the Canadian Bank of Commerce, the pledgees who hold the stock. It appears the Canadian Bank of Commerce has advanced money, the Government refuses to say how much. This amount was advanced on security of this stock, which the Drayton-Acworth report says is worth nothing, and which every man knows is worth nothing. The Canadian Bank of Commerce has seen fit to make advances of untold amounts on security that has no value. On what ground did the Canadian Bank of Commerce make those advances? On the ground that they had sufficient influence with the Government of Canada that the Government, acting as their servant, would come to Parliament and put through legislation that would protect them in having paid out money contrary to the terms of the Bank Act, contrary to good finance, and contrary to every rule that should govern business in this country.

This is an act for the relief of the Bank of Commerce, a member of the financial group in the city of Toronto which directs the policy of this Government and which has a strangle-hold on the business of this country. That is the reason this legislation is going through. It is not because of the Canadian Northern railway or the devotion of the Prime Minister and the Minister of Finance to the principles of government ownership; it is for the salvation and the help of Big Business in the city of Toronto, that the people's millions are to be poured into the coffers of the Canadian Bank of Commerce on the judgment of an arbitration that should never sit. We have millions to hand to the Bank of Commerce to save them from the consequences of acts which were never justified and which could not be justified; at the same time the wives and children of our soldiers at the front are depending on the passing of the hat for charity to keep them in comfort or decency—there is no recognition of the increased cost of living in the case of the dependents of our soldiers. We have not the money to spend; we have not the money in the treasury, and we cannot afford to spend it to maintain those dependents in the manner in which they should be maintained, but we have millions, and we do not put a limit on the millions, that we can pour into the coffers of the Bank of Commerce. Our disabled soldiers who come back from the front are not receiving the consideration to which they are entitled at the hands of this country which they have served, and for which they have suffered. The Government is convinced of this; the Prime Minister has told the House and the country that it is a fact. But the soldiers can wait; the Bank of Commerce cannot wait. The soldiers will get consideration when the next Parliament meets, but the Bank of

Commerce must get consideration now. This country at this time and under these conditions is being compelled to assent to an expenditure of money of the amount of which we have no knowledge, and in regard to which the Government refuses to enlighten us, not only so far as concerns the amount that we shall pay for the stock of the Canadian Northern, but so far as concerns the obligations that lie against the Canadian Northern enterprise.

Time does not permit to go over the total list, but in one particular, we take $147,000,000 of the unguaranteed securities of the Canadian Northern Railway company, entitled to receive over $6,000,000 interest, and by a stroke of the pen, we make this Dominion liable for the payment of that interest. We follow that up by becoming obligated for the completion of all the undertakings of the Canadian Northern and for the payment of all the liabilities that they have incurred. It is not a matter of $1,000,000, it is not a matter of $10,000,000, it is not a matter of $100,000,000, but it is a matter of hundreds of millions that we are dealing with here to-night. I want to support the amendment of my hon. friend from St. John who asks—asks only—that this stupendous transaction, when the valuation has been arrived at shall be submitted to Parliament and to the people for their approval.

Mr. GAUTHIER (Saint-Hyacinthe) (Translation): Mr. Speaker it is with pleasure, indeed that I shall improve the twenty minutes allotted to me, in condemning the measure now before the House for its third reading and in supporting the amendment moved by the hon. member for St-John (Mr. Pugsley). The future historian of Canada will state that since September 21, 1911, our country was unfortunate in having an administration steeped in toryism to a degree unparalleled heretofore; and under a Government such as this, it is a relief to listen to a man such as the hon. member for St-John (Mr. Pugsley) who is fired with the spirit of true Liberalism.

What has been the present Government's policy? True to their traditions, they have bent their efforts towards encroaching upon civil liberty; they have outrun the term of their prerogatives; they have substituted to Parliamentary action Commissions, appointed by themselves in order to load their friends with all possible favours. But the greatest encroachment upon the liberties and the rights of the people and of their representatives, has certainly been the application of the closure rule which we are presently enduring, and through which they silence the voice of the Opposition and force through the passing into law of the measure now under consideration. Commission after commission has been appointed. The House's privileges have been taken away one by one. Under the cover of every just cause, of the noblest principles, measures of the vilest character have been enacted, to an extent unknown to any previous government.

I have not the time, in the few minutes at my disposal, to review the whole question now before us, besides I have already discussed it previously.

Mr. Speaker, what is the object of the amendment of the hon. member for St-John? Merely to assert the authority of Parliament, should the Government see fit to put this measure through by means of the closure. Indeed, this amendment provides that, before being carried out the award should be submitted to Parliament, the latter having the opportunity of threshing out the evidence, the testimony, the engineers' advices; in short, the evidence given by all the experts summoned.

I would like, Mr. Speaker, to draw the attention of this House and of the country upon one particular item. On August 23, 1917, the hon. Minister of Finance brought down a statement as to that work known as the "Mount Royal Tunnel and Terminal" and which happens to be in the city of Montreal. We who belong to Montreal, we are in a position to see what is going on in that city. The Government assert that the total cost should be $4,631,427, and that the expenditure up to April 30th last had reached $4,566,072.52, leaving an amount of $65,354.48 to complete the enterprise. Now Sir, I am informed by a competent engineer that the amount stated as having been spent for the tunnelling of Mount Royal, is a fictitious one. This engineer, who is an expert, and who has consulted other engineers, colleagues of his, contends that there has never been, on this continent or elsewhere, a tunnel where the cost has exceeded $200 per foot, that is to say, $1,000,000 per mile.

Now, this tunnel covers two miles and a half, which consequently puts its total cost at $2,500,000, and here we have the Government, accepting the figures submitted by Mackenzie and Mann, fixing the cost of that tunnel at $4,631,427 and contending that, on April 30, 1917, the expenditure

amounted to $4,566,072.52. The engineer from whom I obtained this data, which I believe credible, declares that it is impossible for Mackenzie and Mann to have spent in the tunnelling of Mount Royal the amount which they set down as having been expended.

We ask for information and the Government refuse to give it.

In the blue-book concerning the Canadian Northern, we find entered as an unpledged security for the "Mount Royal Tunnel and Terminal Company", an amount of $11,430,033.39 as outstanding debentures. Everybody knows that only $7,000,000 of that enterprise have been floated on the New York market, to the firm of Lazard Bros, and here now we shall be called upon to pay for $11,000,000 of debentures, when $7,000,000 only have been floated.

What of the balance? Who holds it? Nobody will extend the information and in spite of the Opposition's persistent inquiries, the Government turn a deaf ear. They resort to the gag and thus make totally obnoxious a Bill based on the most monstrous iniquity but which will bear in our statute books and in the minds of our people, the odium of having been put through by shutting off discussion and by force of majority vote, through which we are debarred from obtaining information to the benefit of our constituents.

The Government are using their full power and I must say, Mr. Speaker, that we, on this side of the House, have not been at all surprised at the stand taken by these hon. gentlemen. Every one knows that, in spite of the nefarious influence which has paralyzed the press of this country, in spite of the means used by the occult power moving those who are the administrators of Canada; every one realizes that public opinion is awakening, in spite of the silence of the press, notwithstanding the moneys spent to deceive, to chloroform public opinion; every one realizes that public opinion is on the point of rising and of compelling the Government to go before the people.

Oh! I know that these gentlemen have taken every possible precaution; I know that they have, as they always had at their disposal every means to extort a verdict from the people. We are expecting as much. Had they been able to put off the date of final reckoning, this nefarious measure would perhaps never have been brought up under such circumstances at this very session. But the Government feel that they must appear before the people; the Government are forced to face their judges and, realizing that the struggle will be a very hard one, that the result may be disastrous to them, these gentlemen, before leaving, have devised this Bill which I may sum up in a few words; Mackenzie and Mann having built a railway through subsidies obtained from every government in Canada, have thriven by impoverishing their company with its subsidiary companies, and to-day, after succeeding in enriching themselves by beggaring the companies of their own making, they ask the Government to come to their rescue and take over their debts so that they may keep all the profits.

As I see it, the transaction is summed up as follows; whether the money goes to the Bank of Commerce, whether the money, which we are going to vote or which will be the product of this legislation, goes to the Bank of Commerce, or to the National Trust or again, to Lazard Brothers, every body knows that it is through the advances made by those financiers, that Mackenzie and Mann have accumulated their private wealth, and that the debts these same gentlemen have created, the Government shall take them over, leaving to those who have had the talent and the genius to accumulate colossal fortunes, their millions and relieving them of their debts.

Mr. Speaker, is it credible that, in the year of our Lord one thousand nine hundred and seventeen, in a country which lays claim to every British institution, in a country which has been brought to sacrifice as its war contribution the greater part of its wealth, its brightest prospects and its best men, to the very point of facing national bankruptcy; is it possible to believe that, in the last days of a Parliament which had been granted a new lease of life by formally pledging themselves not to bring up any contentious masure; is it possible to believe that, during the last days of the last session of this moribund Parliament, the Government would be bold enough—were they not compelled to do so—previous to going before the people, to assume the responsibility of such a legal crime as this? Not by any means. It is because those who are the masters of the administration have forced them, before leaving the place, to open the public Treasury and allow them to draw upon it to any extent, in order to repay themselves for advances made to

enterprises which, had they been managed with the prudence and wisdom that should characterize the administration of any large industry, would certainly have fully succeeded.

And because the masters of this Government, because those who have put into power, those who have kept them in office, feel that public opinion is awakening, because they feel that the public conscience is on the point of revolting, because they know that the people's verdict, which the voters of the country will soon be called to give, will be the signal condemnation of six years of squandering, six years of iniquitous legislation and of scandalous administration, because they know that this verdict will go against their creatures and their valets; they exact, before this Government go away, that a last onslaught be made on the public Treasury.

Can one be surprised, Mr. Speaker, that, before such a legislation as that one, can one be surprised that the Opposition should demand that the voice of the people and the voice of the people's representatives be listened to? Is it surprising that the hon. member for St. John (Mr. Pugsley), anxious as he is that the people's wishes be assented to and unwilling that the Parliament of this country should be deprived of its last prerogatives, is it surprising, I say, that this hon. gentleman proposes in his amendment that, when the arbitrators' award shall have been prepared, it be not executed before Parliament has been consulted and has declared, through its representatives, whether the bargain is good or not, whether we are getting the actual value of what we are purchasing?

I will go still further. If, in order to indemnify the builders of this railway system, the promoters of the Canadian Northern, the arbitrators should declare that an indemnity be given them to recognize their initiative, their go-aheadedness, the loss of time and of energy they have incurred—from the country's development point of view—recognizing the fact that the Canadian Parliament have declared, by an Act, that the Canadian Northern had been built in the public interest. even if the award contained the shadow of a doubt, the members, in the new Parliament, would not hesitate in the least to grant, to those who have been the promoters of that enterprise, an indemnity, as a matter of recognition for all that those gentlemen have done in Canada's interest.

But the Government, by refusing to accept the amendment of the member for St. John, deprive Parliament of the right to examine the evidence and the expert testimony and, at the same time, of looking into transactions which, after all, the administration were not effected in their own personal name, but on behalf of the whole of Canada. It is the Canadian people who will have to pay and they should know what they are buying, and it is only fair that their representatives in this House should be in a position to decide, in last resort, upon the amount of the abritrators' award. In my opinion, this transaction should not be closed without the Canadian Parliament having decided upon the award, as to the value of the goods we are acquiring.

Hon. RODOLPHE LEMIEUX (Rouville): Mr. Speaker, I have been reminded by the speech of the hon. Minister of Finance of an old proverb, 'Consistency thou art a jewel.' When one reads the speech delivered by the Minister of Finance at the close of the last session and compares it with the speech he has delivered to-day in reference to the interpretation to be given to the Act passed in 1914, really one cannot but believe that the argument of the hon. gentlemen is, with all due respect, nothing but tomfoolery. It would be of little importance if this legislation which we are considering and will be called upon to vote upon in a few minutes was only tomfoolery, but, unfortunately, it is Clifford roguery too. Lord Milner, one of the distant progenitors of the present Tory organization had a slogan which he used some years ago. In discussing the rejection by the House of Lords of the famous Lloyd George budget, when it was represented to him that the House of Lords should not run counter to the House of Commons, he said, " Damn the consequences." When I see this Government, with the Minister of Finance at its head, coming before Parliament in the dying days of a dying session of a moribund Parliament with such a stupendous proposition as the present one, I say that they have evidently adopted as their motto, their slogan, the words of Lord Milner—that silent and somewhat sinister figure in British politics—damn the consequences. I approve of the amendment which has been moved by the hon. member for St. John (Mr. Pugsley). The hon. gentlemen opposite, in order to cover their iniquity, claim that the

Canadian Northern railway in the future will be the people's railway. Sir, if this Parliament represents anybody or anything it represents the people of Canada, and as representative of the people of Canada this Parliament should pronounce upon the award because the award will represent the price that the people of Canada are willing to pay for what will become ultimately their railway. But the Government will not accept this amendment. This is exactly the cleavage between Toryism and Liberalism. Liberalism will trust the people but Toryism will mistrust them. The present Government, if they could do away with all parliamentary representation, with all advice from this House, would do it very quickly, because the Star Chamber is their type of government.

And are not the people of Canada being governed at the present time by a Star Chamber? The Government is not on the benches I see before me. The present Government is not even sitting in council on the hill. The present Government receives its inspiration, receives its orders from a certain parlour in the Chateau Laurier. In the annals of Great Britain and of the British dominions I have never read of such a nefarious system of managing public affairs. The Government has completely surrendered what rights, what powers, it had into the hands of a few filibusters, into the hands of a few well known looters and plunderers. This is nothing else but a raid, and it is because it is a raid perpetrated on the Canadian treasury, that it has to be done by closure. A raid must be made swiftly and sharply, it must be done in the dark, far from inquiries, far from the surveillance of the elect representatives of the people. That is why the Government rejects the amendment of my hon. friend requiring that the award in the present arbitration shall be passed upon by the representatives of the people.

I said a moment ago that this amendment has all my support. It may seem extraordinary that, after having submitted this question to three arbitrators, we should claim the right to revise the award of the arbitrators. But this is a most extraordinary transaction. It is a transaction which reminds me of the looting and plundering which in years gone by was committed in the western states by desperadoes. When the desperadoes in California came sweeping down the mountains to raid the poor inhabitants of the plains, the citizens, in order to protect themselves, formed vigilance committees and that is how they got rid of the desperadoes in the Far West. We have desperadoes at the present moment before us. The vigilance committee is here represented by His Majesty's loyal Opposition, and the plain people at the next election will see to it that the desperadoes are dislodged from the hill yonder.

Mr. LAFORTUNE: It will not take long.

Mr. LEMIEUX: I said a moment ago that the explanations of the Minister of Finance amounted to something like tomfoolery. May I explain in his own words the covenant which was passed in 1914. Let me quote in a few words what the hon. gentleman said:

> Under that legislation in 1914, in the event of default on the part of the Canadian Northern Railway in the payment of interest upon its securities, or in the event of a receivership, which would be in the event of default, then this Government—

Mark these words—

> —has the power, as that legislation is existing to-day, to appoint a board of directors of the Canadian Northern Railway Company and of its subsidiary and consituent companies to enforce its security.

Then he quotes section 24, and continues:

> The effect of that enactment, which is in existence to-day, is that, in the event of default on the part of the Canadian Northern Railway Company, so far from the Canadian Northern Railway Company being able to take this Government by the throat—

As this company is taking it to-day—

> —the Government can demand that the directors of the Canadian Northern Railway System resign their offices, and the Dominion Government may appoint directors in their places, may take complete control of the Canadian Northern Railway system and may foreclose the equity of redemption of the Canadian Northern Railway and deal with that equity of redemption as Parliament may see fit in the interests of the people of Canada.

He says further:

> My hon. friend still misunderstands the legislation of 1914. So far from any delay being opened to the railway company under that legislation the Dominion Government can at once appoint boards, take possession and administer the system by these boards. It has as full power as if it had all the stock of the Canadian Northern Railway and its subsidiary and constituent companies.

And further on the hon. gentleman says, in answer to a criticism which was offered on this side of the House:

> I have told my hon. friend that the Government is investigating the whole Canadian railway situation. We are doing what I believe is the sensible thing under present conditions. The Canadian railway situation is exceedingly complicated and one of the most important that

has ever confronted any government in Canada. We are taking the opinion of experts, and when we have their advice we shall be in position to act.

We are taking the advice of experts, in order to act on the opinion of these experts. The experts, honest men all, were appointed. They said:

In the case of the Canadian Northern Railway Company no proceedings in court are requisite. Under the provisions of section 24 of the Canadian Northern Railway Guarantee Act, 1914 (4-5 Geo. V, chap. 20), the Governor General in Council has power, when authorized by Parliament, to declare by order, if default is made by the company in payment of interest on the $45,000,000 guaranteed securities (the interest on which is at present being found by the Government) that the equity of redemption of the company is absolutely barred and foreclosed; and thereupon the whole property becomes vested in His Majesty in right of the Dominion of Canada.

Let us follow the case. The hon. gentleman declared, when he introduced the resolution to the House, that the Canadian Northern Railway Company had failed to pay its interest charges. He admitted that the company had defaulted, and therefore he had only one thing to do. If he had been frank, sincere and honest with himself—not to speak of the honesty he should have exhibited to the people of this country—he would have followed the advice of the experts he employed—as he said last year, advice upon which the Government might act. I say that never in the history of this Parliament was a crime of that magnitude ever perpetrated against the interests of the people of Canada. I say to the hon. gentleman: You have appointed Chief Justice Sir William Meredith; Mr. Lash will be appointed; both of them will appoint a third. I am not saying anything against the integrity or the honour of the Chief Justice of the province of Ontario. I know that he is honourable, I know that he is a great jurist, but the people of this country will have no faith in the award of that tribunal. Let my hon. friend address himself to the Exchequer Court of Canada, and go before Sir Walter Cassels. He knows he is an honourable and eminently able judge, and that by the very nature of his functions he is conversant with such questions as these. He knows, further, that Sir Walter Cassels has protected the taxpayers of this country within the last months when the Quebec and Saguenay deal was being argued before him. I hold the judgment in that case in my hand. It shows that, although the counsel appointed by the Government recommended the payment of nearly $2,000,000 out of the public treasury to the Quebec and Saguenay, and the Quebec and Montmorency, the judge of the Exchequer Court, faithful to his trust refused to be bound by the dictum of that counsel. In one instance he said:

Now it is admitted that these two items of $500,000 referred to in schedule (A), and also the item of $794,869.58 floating liability comprise part of this item of $2,038,149.40. Crown counsel in their statement were of the opinion that these two items of $500,000 and $794,869.58 should be taken as the cost up to that date, namely, July 1, 1898. I do not agree with that contention.

And he cuts off the two items, amounting to about $1,200,000. That is the judge I want to see as the Supreme Arbitrator in the present instance—a man who has the courage to say to the Crown Counsel: "You have allocated too much to the claimants, and I, as protector of the public treasury, and faithful to the trust imposed on me, refuse to allocate these two amounts." This is the judge I want to see appointed as a valuator in the present instance. What will the people of this country think when my hon. friend, having appointed the experts of last year, Sir Henry Drayton, Mr. Acworth and Mr. Smith, after having declared that he would accept their advice and act upon it, comes before the House this year, and begins by throwing overboard his own experts' report? He declares they have made serious omissions and have not properly valued the stock. Mr. Speaker, is that the way the watchdog of the treasury should protect the interests of the people? I say to my honourable friend that he has lost to a considerable degree the confidence of the people of Canada in the last few days.

It is hinted the Canadian Pacific would like to snatch the Canadian Northern from the people of Canada, and that by this legislation we are preventing the Canadian Pacific from getting control of that road. If it is true the Canadian Pacific is so anxious to snatch such a valuable asset as the Canadian Northern railway from the people of this country, if the minister had been wise he would have left the road first appraised by the Canadian Pacific, and then by Act of Parliament taken possession, as he was entitled to do under section 24 of the statute of 1914. I regret my honourable friend has not given the House a complete list of all the bondholders. The House would be glad to know, for instance, the names of those for whom John Aird has $1,000,000 in trust. The holders in trust

should be brought to the bar of the House to divulge the names of the real shareholders.

Some hon. MEMBERS: Order. Order.

Mr. DEPUTY SPEAKER: This is the second time I rapped.

Mr. LEMIEUX: There is no tower so you cannot send me there.

Mr. LAFORTUNE (Montcalm) (translation): Mr. Speaker, the hon. member for Rouville (Mr. Lemieux) who has preceded me, finds it strange that the Government should have taken such a stand and my hon. friend has left no stone unturned to try and convince them. It was all of no use, and he might have spared himself the trouble. Long before the debate had started, the subject-matter had been pondered and weighed, and it was a foregone conclusion that the goods were to be delivered and I am even led to believe that such is the case. What is the use of putting forward cogent and unquestionable arguments? Why should I go to the trouble of reading and quoting Acts and Statutes? As far as I am concerned, Mr. Speaker, I shall certainly save myself the trouble, seeing that the bargain was made and settled in advance, that everything has been well examined and weighed and to-day they only come and ask the Parliament to ratify what has been done outside of it. So that, Mr. Speaker, it is only a waste of time and labour to try and convince the hon. gentlemen opposite. The unknown quantity here is as to who is to get the lion's-share; all the rest is an open secret, but, as I said, I should like to know who will get the first prize. That is, Mr. Speaker, what puzzles me or rather rouses my curiosity.

During the elections, which will soon come off, these gentlemen will be seen everywhere, liberally scattering gold and silver, throughout the country, in the hope thereby of being returned to power. But their hopes will be dashed to pieces. Mr. Speaker, they are egregiously mistaken, for there is no power on earth, there is no conceivable deal that could allow these gentlemen to come back to power; there is not enough gold and silver in the country to save them from defeat at the polls. It is preposterous. Before going out of office, they mean to take advantage of it; it's their business. For my part, I know I shall not get anything out of it.

Mr. Speaker, I have carefully listened to the hon. members who have spoken before me, from the right hon. leader of the Opposition (Sir Wilfrid Laurier), who proved beyond the shadow of a doubt that the transaction which is about to be concluded is the most disastrous ever heard of. A few moments ago, the hon. member for Saint-John (Mr. Pugsley), who is an orator out of the ordinary, a man of wide experience and great learning, conversant with every large transaction, did put forward crushing arguments which none among our hon. friends opposite could refute. As a matter of fact, our hon. friends never offer any reply to our arguments; they are magicians with all kinds of ready tricks in their bag, to explain or not to explain their conduct; try as you may, you can't reach them.

There is a good deal of talk about the so-called watch dogs, on guard over the public treasury. For my part, I should rather think they are only small foxes. A watch dog, Mr. Speaker, is the bull-dog that is often seen depicted in illustrated papers by cartoonists; it is representative of the guardianship of honour and probity and it has for its motto "What I have I hold." But, Mr. Speaker, I repeat it, it is not that kind of guardians we have across the House. As I have said, they rather belong to the fox variety. But they will have an account to render, and it will be a severe one. They have climbed into power under very extraordinary circumstances and think the learned Speaker who presides over the House to-night, knows something about it. Yes, our hon. friends opposite did indeed come into office under circumstances altogether peculiar, and when the people demand some explanation about the transaction we are discussing to-night, you may try and defend it one way in the province of Ontario, and another way, in the province of Quebec; you may go from North to South or from East to West, there is none among our friends opposite who will be able to say that this transaction is an honest one. Everybody is sick and tired of the present Administration. As for this transaction, we see the most influential men of Montreal, men held in the highest esteem, thoroughly conversant with financial affairs, as the president of the Bank of Montreal, for instance, coming out and condemning it most severely. I do not refer to the testimony of the members on this side of the House, because that would not satisfy the hon. gentlemen opposite. A "Rouge" is a negligible quantity. Liberal opinions don't amount to anything. But, le us take the opinion of Conservatives, of these gentlemen's own friends, of men who have never trespassed, never transgressed,

who never were traitors to their party; and what do they say? Not one of them approves of that transaction.

When we see men who have severed their connection with their party, vote against their own friends, vote against this Government, and later recanting their probity, their honourableness, their respectability and their honour, in voting in favour of this transaction, those men do certainly not wish to come back here with a new mandate from the people and sit in the new Parliament Buildings, for never will they cross the threshold, never shall those men be re-elected, unless they prove their good faith, their sincerity, as did the hon. members Achim and Barrette. These two gentlemen have broken with their party in order to come over and side with us. They are entitled to our respect and to our protection. There is also Mr. Mondou. As for Mr. Barrette, he did indeed cut loose from his party, but he returned right away to the party fold. He voted once with us, but he cannot renounce his life-long views; he cannot abandon the men with whom he has so long united his political bonds. He will surely have to atone for that in purgatory. He will not be elected.

Mr. Speaker, I really do not feel like admiring such actions.

When we debate something worth discussing, when we hear plausible cogent arguments pro and con put forward, then there is a wide field opened up for debate; but how can we go into discussion over so plain so easy, so elementary a matter? That cannot be discussed Should a man try to prove that two and two are four, he would lose his time; it would be sheer nonsense to try and prove such a truism. It is a loss of time for one to try and prove that this transaction is worthless. It is not even disputable, it is impossible. It required the brains of man who is now terrorizing this country, a man who has seen happy days, who enjoyed some consideration, was respected once, but to-day he is fallen so low that nobody wants him on either side, I refer to that gentleman, Sir Clifford Sifton, Neither one side nor the other cares for him; everywhere he shows his face, he is a terror, a scare-crow, an object of abhorrence, some even say, it is the polecat. When he went out West, he pestered his friends. He boards at the Chateau Laurier, and every body shuns him, they all keep aloof from him; he remains alone.

He keeps on jobbing, plotting, conspiring, lobbying, corrupting, and he is the adviser of the members of the cabinet.

[Mr. D. A. Lafortune.]

Well, Mr. Speaker, I should like to see him in the province of Quebec trying to justify a transaction like this. I should like to see these men trying to convince the good electors, not only of the province of Quebec, but of the whole Dominion. I should like to see them come and discuss, pro and con, this question with men as competent as my most venerable leader, or my hon. friend from Saint-John (Mr. Pugsley) and all the other members who know the transactions on the tip of their fingers; who have made study the labour of a lifetime. I should like to see, do I say, men as these gentlemen seated alongside our good friends opposite, who come to Parliament for the first time—they hardly lobbying, corrupting, and he is the adviser immediately fashioned into ministers, instead of others who have given proof of their capacities. Any first comer should not be given a portfolio; and so, there is no wonder that the wheels should not run smoothly. Take for instance the ex-Minister of Public Works (Mr. Rogers) who came here in 1911. They succeeded in finding fault with everything he was doing, and so they shoved him out. Others have disappeared and more yet are to go at the coming elections. Take my word for it, they will drop like ripe nuts; they will topple down and I can assure you, the people will make short work of it. No, it is impossible for these gentlemen to ever be returned to power.

Our good friends opposite, Mr. Speaker, are well aware that the transaction they propose is malodorous and so they bend themselves to the task of shutting off discussion by force of majority rule, making use of the closure or the rule of the gag to throttle the members of the House.

I was delighted to-night to hear the Minister of Finance finding fault with his own medicine; it was a bitter pill for him to swallow. He would have liked to explain his case—a very bad one—a little longer than he was entitled to; he wanted to give more detailed explanations, but he also had the gag put on to him. The Minister of Finance is known as a serious man, who can handle figures all right, when millions are at stake; but when a man frames a contract like this one, I can assure you he never has a chance to make another one.

Now, Mr. Speaker, they want to sell us a railway which the Government can take over under a contract passed in 1914. I have been practising at the Bar for the past thirty-six years; I know what a deed of sale is; I know what is a mortgage and I also know what a security is. This contract

has been discussed on every aspect, shape and form, and the right hon. leader of the opposition understands the matter. He has made contracts of the most serious, of the most complex kind, when there was no possible equivocation. The present administration applied to the Solicitor General (Mr. Meighen), that gentleman who is a past master of hair-splitting. This gentleman is most skilled, he has done all kinds of things, he puts me in mind of some magician who does all sorts of tricks. He will succeed in passing his Bill, and you will see that those gentlemen called Mackenzie and Mann, who have had millions and millions from the Government, will come out of this deal several times millionaires. More than that, Mr. Speaker, because they cannot meet their liabilities, they have been "sired"; they are called Sir Mackenzie, Sir Mann, and for all that, they will live in grand style at our expense, as the big millionaires of this country, because they don't pay their debts. In our parts, a man who steals a loaf of bread is sent to the penitentiary, unless he can prove dire want, and then he is forgiven. But should we lay a charge against these gentlemen for having obtained as many millions from the present administration as from the late administration—at least, as to the late administration, we had been given a railway, they had built a railway, but the right hon. Sir Wilfrid Laurier had proceeded warily so that no trick be played on him. But now, Mr. Speaker, it is the general bankruptcy, complete bankruptcy—not the bankruptcy of Mackenzie and Mann, for they remain millionaires just the same—but an imaginary bankruptcy of those who have built that road and other moral persons besides Mackenzie and Mann. And those people say: "Now, it is a case of bankruptcy, we are unable to pay our debts, take over the road, but we shall remain millionaires, don't touch our millions."

You will see these gentlemen running over the different provinces of the Dominion, go on junketing trips throughout the various countries, in high style, at the expense of that poor people they have so well imposed upon. And the hon. gentlemen opposite will loudly applaud. You will see them in a few minutes; just now, they hang around the corridors, in the lobbies, you will see them return in gangs, and the whole lot of them will vote as a man, to say: "Mackenzie and Mann are bankrupts, they have not done their duty, they are in default of payment, but never mind, let us pay all these gentlemen ask, let us hurry and saddle millions and millions upn the poor people." And these gentlemen will say: "In war times, let us economize, abstain from meat on Tuesdays, and on Saturdays—two meatless days—let us economize." But when these gentleman are in it, all that is of no account. Little mites of meat, little slices of bacon, that counts. They forbid the Canadians, the voters, eating a little bacon. "Big round millions that flies, let us not mind that."

You will see these hon. gentlemen vote in a body, and applaud. I see the member for Rimouski (Mr. Boulay), who had the courage to vote with us on the Conscription Bill, blaming the Government, blaming his friends, and the next day, the osculation was given, let us vote for this good Government—it works so well—he expects so much from his good friends; you will see him vote and he will go down into his county, he was there recently, he tried to explain the prepared contract and he was told: "Sir, please go home, we don't need you any longer." You will see what kind of a reception he will get in his county.

I see, Mr. Speaker, that you are looking at the clock, the gag is ready for me. What a fine Government! What a fine country! Country of liberty, country of freedom, country par excellence!

In our times, we never had any mallet like that. In our days, there was more mutual respect, people were not stopped by mallet strokes, one stopped speaking when he pleased. Since you are in power, the mallets fly. It is with that mallet that we shall crush you at the next elections.

Mr. W. M. GERMAN (Welland): Mr. Speaker, it will be only a few minutes now until the curtain of this Chamber is drawn down on what I apprehend will be considered one of the most scandalous transactions that have ever disgraced the administration of any country under British rule.

Mr. SPEAKER: Order. The hon. gentleman is surely exceeding the rules of debate.

Mr. GERMAN: If, by using the word "scandalous," I exceed the rules of debate, I will withdraw the expression "scandalous" and say that this is one of the worst transactions that have ever disgraced the administration of this or of any other country under British rule. We have here a proposition, introduced in the last days of a session, for taking over one of the great transcontinental railway systems of this

country, involving a responsibility on this country amounting to about $600,000,000; and the Government, without giving information which members of this House desire to have and are entitled to have, are using the rules of closure to force this proposition through the House. That is an action on the part of the Government for which they will have to answer to the people of this country in a manner which, I apprehend, will not be to their satisfaction.

I do not think we can bring too often to the attention of the House and of the country what the position of the Government has been in regard to this matter. The transactions of the Government in connection with the Canadian Northern railway system began in 1914 when they guaranteed $45,000,000 of the bonds of that company. Yesterday, the Prime Minister, after repeated suggestions from various members of this House, endeavoured to explain—no, he did not endeavour to explain what was meant by his statements in 1914, but he made certain statements, and I think it is well we should place the statements of the Prime Minister made yesterday in this House side by side with his statement made in 1914 and the statement of the Minister of Finance made at the same time; the people of the country will then be able to use those statements standing in juxtaposition, and we shall see what the people think of them. This is what the Prime Minister said yesterday:

> I have pointed out, and it has been repeatedly pointed out by hon. members on this side of the House, that if the Government utilized the legislation of 1914, it would be absolutely impossible, unless we desired to wreck the credit of this country, to proceed on any other principle than that which is embodied in this Bill. That is to say, that if the persons who own the equity of redemption in the Canadian Northern Railway and its subsidiary companies claim with any show of reason at all that there is some value in that equity of redemption, it would be absolutely impossible for this Parliament, for this Government, or for any other parliament or any other government having due regard for the public interests, to deny to the persons raising that claim the right to be heard as to the merits of their claim before some properly-constituted tribunal. If you depart from a principle of that kind, you might just as well bring into Parliament a Bill which would authorize expropriation of the property of any citizen, or firm, or company in this country, without compensation, or with one-half or one-tenth of the compensation that might be found by any court in respect of such property taken by the Crown for public purposes. It is absolutely impossible to do it. It is absolutely impossible to deny the right to be heard to any man whose property is taken and who makes a reasonable claim that it has some value. Therefore, I say, under the Act of 1914, if the owners of the equity of redemption were able to show—as I think they have shown—that there is some reasonable claim for some value in the property over and above the encumbrances, we ought not to deny them the right to be heard.

[Mr. German.]

The Prime Minister said yesterday that those people must have the right to be heard; that there must be an arbitration to settle the value of the equity of redemption of Mackenzie and Mann in this railway enterprise. This is what he said in 1914:

> If such default takes place the Governor in Council may, upon such notice as he deems expedient, declare vacant the offices of the directors of the Canadian Northern Railway Company, or of any of the allied companies, and may appoint a new board or boards, upon which very extraordinary powers are proposed to be conferred. Among such powers are the creation of any additional securities, the making of arrangements with the holders of any outstanding securities, and the transfer, with or without compensation, of the Canadian Northern system, or any part thereof (subject to then existing charges) to any corporation created by the Parliament of Canada for the purpose. So if, as apprehended in some quarters, the road cannot, with the assistance now afforded, be brought to a successful conclusion, the Government and Parliament of Canada will have the situation in hand better than by any possible method at the present time. In effect we propose to provide in the first place that a certain amount shall be available for the early and immediate completion of the road, and, if the road is not carried to completion by means of that aid, then the people of Canada, through their Government and Parliament, are enabled in the most effective and vigorous way to grasp the situation, and to carry to completion, for their own benefit, one of the great transcontinental railway systems of Canada.

I want to know where in the four corners of that statement of the Prime Minister, made in 1914, there is any suggestion that there will be an equity of redemption. As a matter of fact, he absolutely repudiated any idea of an equity of redemption of Mackenzie and Mann in this property. Mackenzie and Mann themselves, as has been repeatedly pointed out in this House and as I purpose again pointing out—because it cannot be too often and too fully emphasized—agreed that there would be no equity of redemption in them to this property.

The Prime Minister there says, in speaking of the Order in Council, that the representatives of the parties, both Mackenzie and Mann as a corporation and Mackenzie and Mann individually, will be cut off, and that they will not be at any time, make or seek to enforce any claim for contractors' profits, commissions or otherwise against the Canadian Northern or against any of the constituent or subsidiary companies upon or in respect of any expressed or im-

plied contract, understanding, agreement or stipulation of any kind, heretofore or hereafter made whereby or whereunder they or any one or more of them may now or hereafter be entitled to receive from the Canadian Northern, or from any of the constituent or subsidiary companies, any consideration or profits in respect of work heretofore undertaken or as consideration for transfers of properties, rights or franchises already transferred or to be transferred under subclauses (a) or (b) of this clause, or for consideration or remuneration for services in financing or for any other services heretofore rendered, and all such claims are hereby by them and each of them absolutely renounced and released. In the face of that, how can the Prime Minister or the Finance Minister stand up in this House and declare there is an equity of redemption in Mackenzie and Mann in regard to this property, for which they have a right to be paid? On the face of the whole transaction it shows that the proposition of the Government has some ulterior motive in view. It is not to recompense Mackenzie and Mann for any equity of redemption they have in this property. The Government knows, as we all know, that Mackenzie and Mann have renounced and released their equity of redemption in this property in consideration of having their bonds guaranteed to the extent of $45,000,000 in 1914. That being so, why does the Government come to-day and attempt—yes, even more than attempt, assert—to this House that there is an equity of redemption for which Mackenzie and Mann must be paid? What confidence can we have in any action of the Government in connection with this matter? What confidence can we have that this Government will in any energetic or thorough way go before the arbitrators and seek to show that there is no value in the equity of redemption of Mackenzie and Mann? We have the right to assume, in view of the action of the Government in connection with this matter, that they will instruct their counsel to go before the arbitrators and admit that there is a value in the equity of redemption of Mackenzie and Mann in this property. Admitting that, then Mackenzie and Mann will call their expert witnesses, and will bring evidence before the board of arbitrators to show that this stock is actually worth par. We on this side of the House cannot have, and have not, any confidence in the Government energetically prosecuting this matter on behalf of the people of Canada, and that is why we declare here that it is the duty of Parliament to keep control until after the whole thing is decided and disposed of. We should not have any confidence in the Government, because they have deliberately gone back on every pledge they made in 1914. They have deliberately turned their backs on every proposition of law that they laid down in 1914. They have deliberately gone back on every principle of equity and justice and fair play. That being the case, how can we on this side of the House, and how can the people of Canada, have the slightest confidence that the Government will prosecute this matter in the interests of the people? For those reasons, we declare that the Parliament of Canada should remain seized of the question until after the arbitrators have made their report, and then on the evidence which is made before the arbitrators, Parliament can decide whether or not the award they have rendered is a just and fair award. The Parliament of Canada is the highest tribunal in the land, as the Parliament of Great Britain is the highest tribunal in the British Empire. Why should not the Parliament of Canada remain seized of this situation until the arbitrators have made their report? The Government say it will delay matters. It cannot possibly delay anything. All the Government has to do is to place their own directors in charge of this road, and take over the operation of the road from this minute. They are not pinned down by anything. The law is as plain as the writing on the wall. The Minister of Finance declared in 1914 that all they had to do was to place their own directors in charge of the Canadian Northern Railway system, and operate it for the benefit of the people. It is the duty of the Government to do this now. The Solicitor General said this afternoon would that it be fair to accept an exparte decision of the Royal Commission in connection with the valuation of this property. This was a Royal Commission appointed by themselves to investigate this whole question, and there is not a man in the House who has denied that the findings of that Royal Commission were true to the facts, excepting Mr. Bell, Comptroller of Railways has said there is a mistake of some $65,000,000. On the face of it there is no such mistake. He says there was a mistake of $25,000,000 in the assets, but there was also a mistake of $25,000,000 in the liabilities, one offsetting the other. He says there was a mistake in not taking certain lands into consideration, but as a matter

of fact the commission took into consideration the money that was raised on the security of the land, so there was no mistake there. More than that, the commissioners themselves assert there was no mistake at all. The Government, knowing that there was no value to the equity of redemption in this property, is deliberately forcing through this House a proposition which will give, if not to Mackenzie and Mann, at least to their pledgees the Canadian Bank of Commerce, several millions of dollars of the people's money.

There is another point in connection with this Bill about which I spoke the other night, and in regard to which I have not heard any explanation, that is, the agreement which is suggested in the Bill as an agreement to be made between Mackenzie and Mann and the pledgees and the Government before this stock is to be handed over. Why in the name of common sense should an agreement be suggested? There is no necessity for any agreement. Mackenzie and Mann lose all their rights in this road, and the pledgees have no higher rights than have Mackenzie and Mann. Then why an agreement? I wish to state, in all sincerity, and hon. gentlemen opposite will find that what I say will be very near the truth, that that agreement will be prepared in such a way that Mackenzie and Mann will be given further time for redemption of this property. Why should there be an agreement unless it be an agreement to give Mackenzie and Mann further time to redeem the property? The arbitrators will make an award of perhaps $10,000,000, or $15,000,000, or $20,000,000, which will go to the Canadian Bank of Commerce. Mackenzie, Mann and Company will have four, or five, or maybe more years in which to raise this money if they can possibly do it, and redeem the property.

If it is a failure they will leave it in the hands of the Government, but if it is a paying concern, I am strongly of the opinion they will make provision in the agreement that they speak of in this Bill to give Mackenzie and Mann the right of redemption in the property. That is one reason why I claim that this proposition should be kept in the hands of Parliament until we see what is likely to happen. We have not the information on which we can decide with judgment and confidence in regard to this matter. We have not the information because the Government refuse to give it to the House. I asked the Minister of Finance the other day to let us know what that agreement would contain. He said that it was simply an agreement for the handling over of the stock? Why is an agreement necessary for the handing over of the stock? The arbitration fixes the price to be paid for the stock under this Bill and the Government takes it. There is no necessity for an agreement. Mackenzie and Mann have nothing to agree to. The stock is taken from them in spite of them and the pledgees must accept the money which the arbitrators say they are entitled to get, if any. There is no necessity to make any suggestion of an agreement in the Bill. It is all an open, blank proposition. But under the Bill this Government can enter into any sort of an agreement with Mackenzie and Mann that they see fit in connection with this transaction. I believe it will be an arrangement to extend the time for the redemption of this property.

The time is growing short and soon the official axe will fall—and this debate will stop. The Government has not given the explanations that we are entitled to but there is another tribunal before which the Government will have to go in a few days, before which it will have to give explanations. Before that tribunal it will have to justify its actions in connection with this matter in the light of open criticism; before that tribunal there will be no closure rules to apply and before that tribunal every man will have as much time as he wishes to discuss this matter and the people will be glad to listen to him because it is a gigantic undertaking. When that tribunal has made up its mind, and when it gives its decision, I believe most firmly that the decision will be a condemnation of the Government which has shown itself spineless, corrupt and extravagant.

Mr. ARTHUR LACHANCE (Quebec-Centre) (Translation): Really Mr. Speaker, Fortune seems very fickle towards me. The other night, I had, by authority of the chairman, to put up with the hardship of the closure rule; to-night again, I am bound to suffer the same inconvenience, since I have but a few minutes left before the clock strikes two, the hour of crime, the fatal hour also for the present Government.

However that may be, could I make better use of these last minutes than by letting you listen here to the voice of citizens of the city of Quebec, of which I am one of the representatives?

A few weeks ago, the Boards of Trade addressed to the Government a memorandum containing important considerations upon the railways of Canada; several of

the remarks have a direct bearing upon the question now before us.

This is the memorandum:

The Canadian Railway Companies
Quebec, June 21, 1917.

Proposed by Jos. Picard, Esq.,
Seconded by E. Harper Wade, Esq.,
And resolved

That, in view of the differing reports which have been recently made by the majority and minority members of the Royal Commission, appointed by the Government to study and report upon the railway system of Canada, and the best mode of overcoming the difficulties which have been created by the unfortunate duplication of railway in many districts, the Quebec Board of Trade is of opinion that it would be wise for the Government to carefully study the position again, before coming to any decision in favor of the adoption of either of the reports which have been submitted. That there are many reasons why it would not be advisable that the railway system of Canada or any very considerable part of it should be under Government ownership and management, which experience has proved to be not satisfactory in many respects; that the progress of the country would be better stimulated by the initiative developed by company management, and that the Government management of the mileage betweeen Halifax and Winnipeg, now operated by the Government should be sufficient to regulate rates so as to direct the western trade to Canadian seaports; and that it would seem wise for the Government to let the railways work out their own financial problems, and to concentrate its efforts upon the proper equipment of our seaports with steamship docks and grain storage, upon reducing marine insurance rates and thereby attracting vessels to our seaports upon building or causing to be built ocean steamers to carry the trade of Canada, and in this way making our railway system fulfil the objects for which it was created, and arrest the alarming diversion of our trade to United States seaports. And that copies of this resolution be forwarded to the Right Hon. the Prime Minister, the Minister of Railways and the city representatives in the Cabinet and Parliament.

True copy.

T. Levasseur,
Secretary.

I am glad to lay before the House these opinions of a distinguished body and I hope the Government will give them all the consideration their importance entitles them to.

And now, may I be allowed to make a few observations about the Canadian Northern. This measure is of a most serious character; the consequence will be for Canada to assume a debt of $500,000,000 to $600,000,000, besides $60,000,000, the price for the 600,000 shares of the company's capital stock, and not including, in fine, the Government's intention to take over this railway.

The hon. member for St. John (Mr. Pugsley) moves an amendment to the effect that the administration should not take that step without the assent of Parliament.

It is Parliament's duty to so step in; a large number of business men have declared that this transaction might seriously affect Canada's credit abroad. It is the most gigantic undertaking that any Government of this country has ever contemplated.

But the Government refuse to accept this amendment; they want to settle the whole matter at their own will; they don't want Parliament's scrutinizing eye upon this game of chess.

However, they cannot get away from the fact that this whole affair will be earmarked in the Dominion's financial records under the name of "The Canadian Northern deal", that is to say a legerdemain trick, a juggling with the public funds.

Why do the Government refuse to assume the ownership conferred under the Act of 1914? The Prime Minister replied, yesterday, that it was to allow the proprietors to submit whatever claims they thought proper under the circumstances. At first sight, the proposition seems reasonable, but less so when we recall that the advances, made in 1914, were in full settlement of any possible claim on the part of those gentlemen, the day when, in order to secure itself, the country should take over that road.

On this point, Mr. Speaker, let me quote the sections of the Bill, such as I find them contained in a speech of the hon. member from Rouville, of August 15, pages 4739 and 4740 of Hansard (unrevised edition). Mr. Lemieux said:

What does section 21 of the statute say? It reads as follows.

The following shall be events of default within the meaning of this Act, viz.:

(a) If the Canadian Northern shall make default in payment of the principal or interest of the guaranteed securities or any part thereof, or default in observing or performing any of the provisions of the new Trust Deed and the security constituted by the new Trust Deed shall thereby become enforceable.

And a little further:

Therefore I say, according to section 21 of the Act passed in 1914, the company is in default, and if the company is in default foreclosure follows, by section 24. The marginal note of that section reads as follows:

Equity of redemption foreclosed on default and vested in His Majesty.

And section 24 itself reads:

If authorized by the Parliament of Canada, the Governor in Council may, on such terms and conditions (if any) as Parliament may prescribe, at any time while any event of default shall exist and be continuing, by order declare the equity of redemption of the Canadian Northern and of all other persons whomsoever in the mortgaged premises to be foreclosed, and thereupon the equity of redemption of the Canadian Northern (and of such other persons) in the mortgaged premises and every part thereof shall be and become absolutely barred and foreclosed, and the same shall

thereupon be vested in His Majesty in right of the Dominion of Canada, any statutory enactment or any rule of law or equity to the contrary notwithstanding.

In view of such statements, these would be reservations, in the name of equity are empty statements, a red herring thrown across the track.

The Prime Minister, always to justify himself for not applying his enactment of 1914, says: It were better to leave the management and the operating of the road to the parties now in charge, in order not to create too much friction.

However, the results attained should have induced him to eliminate that very staff who have put that road into bankruptcy. They blame the war for it; but, there are other railways in Canada, and the war has not forced them into liquidation.

No, Mr. Speaker, the truth of it is that this enterprise, ever since it was started, seems to have been used more especially to enrich a few gentlemen at the expense of the public Treasury both of the Provinces and of the Dominion, and the present Act moreover shows that those men are impenitent and, so long as golden pieces shine within their reach, they will never be satisfied until they tinkle in their pockets.

Therefore, I say, Mr. Speaker, this Act should be condemned by this House, as it will certainly be condemned by the people when the latter are consulted.

The amendment moved by Mr. Pugsley was declared lost on the following division:

YEAS.

Messieurs:

Achim,	Lanctot,
Barrette,	Lapointe
Bourassa,	(Kamouraska),
Brouillard,	Lapointe
Bureau,	(Montreal, St. James),
Cardin,	Lemieux,
Carvell,	McCraney,
Copp,	McKenzie,
Delisle,	McMillan,
Demers,	Martin,
Ethier,	Michaud,
Fortier,	Murphy,
Gauthier	Oliver,
(St. Hyacinthe),	Pacaud,
German,	Papineau,
Graham,	Pardee,
Knowles,	Seguin,
Kyte,	Sinclair,
Lachance,	Truax,
Lafortune,	Verville.—37.

NAYS.

Messieurs:

Ames (Sir Herbert),	Merner,
Armstrong (Lambton),	Middlebro,
Armstrong (York, O.),	Morphy,
Arthurs,	Nicholson,
Ball,	Paul,
Barnard,	Rainville,
Bellemare,	Reid,
Bennett (Simcoe),	Robidoux,
Best,	Roche,
Boulay,	Schaffner,
Bowman,	Scott,
Boyce,	Sevigny,
Boys,	Sexsmith,
Brabazon,	Shepherd,
Champagne,	Smith,
Clark (Bruce),	Steele,
Clements,	Stevens,
Cochrane,	Stewart (Hamilton),
Currie,	Stewart (Lunenburg),
Donaldson,	Sutherland,
Edwards,	Taylor,
Girard,	Thompson (Yukon),
Glass,	Thornton,
Hanna,	Wallace,
Lewis,	Weichel,
McLean	White (Sir Thomas).
(Queens, P.E.I.),	—53.
Meighen,	

PAIRS.

Messieurs:

Bradbury,	Cruise,
Chabot,	Béland,
Borden, Sir Robert,	Laurier, Sir Wilfrid,
Burnham,	Proulx,
Burrell,	Douglas,
Carrick,	Power,
Cockshutt,	Charlton,
Cromwell,	Tobin,
Crothers,	McCoig,
Davidson,	Carroll,
Doherty,	Marcil, Hon. Chas.,
Elliot,	Ross,
Forget,	Bickerdike,
Foster, Sir George,	Turgeon,
Fripp,	Devlin,
Green,	Buchanan,
Hart,	Thomson
Hazen,	(Qu'Appelle),
Jameson,	Pugsley,
Kemp,	Loggie,
McCurdy,	Robb,
Marshall,	Maclean, A. K.,
Lalor,	Neely,
Morris,	Marcile (Bagot),
Morrison,	Boivin,
Munson,	Molloy,
Nickle,	Boyer,
Northrup,	Kay,
Rogers,	MacNutt,
Thoburn,	Mondou,
Tremain,	McCrea,
White (Renfrew),	Chisholm,
Wilson (Wentworth),	White (Victoria),
Wright,	Wilson (Laval),
Webster.	Hughes, J. J.,
	Gauvreau, C. A.

Mr. KYTE: I was paired with the hon. member for North Waterloo (Mr. Weichel). I did not observe that he was in the Chamber. I desire my vote to be recorded in favour of the amendment.

Mr. WEICHEL: I was paired with the hon. member until ten thirty o'clock last evening.

Mr. LEMIEUX: There is a precedent. The other day I was allowed to vote.

Mr. KYTE: I desire to ask the clerk if my vote has been counted in favour of the amendment.

Mr. CARVELL: Since I recorded my vote I have been notified by one of the whips that the member for York, New Brunswick (Mr. McLeod) considered himself paired with me. I had never heard of it, but in view of the possible misunderstanding, I should like to withdraw my vote if, under the rules, I may be allowed to do so.

Mr. EDWARDS: When I voted I understood that the member for Quebec, with whom I am paired, was in the Chamber. I understand he is not, and I would ask to have my vote withdrawn.

Mr. SPEAKER: Under the rules a vote once recorded cannot be withdrawn, but we have a happy coincidence to-night, as an error has been committed on each side of the House, so it comes out even.

Mr. PUGSLEY: I cannot vote because I was paired with the hon. Minister of Marine and Fisheries (Mr. Hazen). Had I voted I would, of course, have voted for the amendment.

Mr. PROULX: I was paired with the hon. member for West Peterborough (Mr. Burnham). If I had voted I would have voted for the amendment.

Mr. KAY: I was paired with the hon. member for Kingston (Mr. Nickle). Had I voted I would have voted for the amendment.

Mr. ROBB: I was paired with the Minister of Militia (Sir Edward Kemp). Had I voted I would have voted for the amendment.

Mr. WRIGHT: I was paired with the hon. member for Kings, Prince Edward Island (Mr. J. J. Hughes). Had I voted I would have voted against the amendment.

Mr. LALOR: I was paired with the hon. member for Bagot (Mr. Marcile). Had I voted I would have voted against the amendment.

Motion agreed to on the same division reversed, and Bill read the third time and passed.

On motion of Sir Thomas White, the House adjourned at 2.20 a.m. (Friday.)

Friday, August 31, 1917.

The House met at Three o'clock, the Speaker in the Chair.

VALOUR OF THE CANADIAN SOLDIERS AT LENS.

CONGRATULATORY MESSAGE FROM SIR EDWARD KEMP AND REPLY OF GENERAL SIR ARTHUR CURRIE.

On the Orders of the Day:

Sir EDWARD KEMP (Minister of Militia and Defence): Mr. Speaker, it may be of interest to the House to read a message from Sir Arthur Currie, General Officer Commanding the Canadian Corps in France, in reply to a message which I had sent to him on August 23. My message was:

Ottawa, August 23, 1917.

Lt.-Gen. Sir Arthur Currie,
Headquarters Canadian Corps,
France.

On behalf of all ranks of our military forces in Canada, I desire to extend to you and to the officers and men under your command warmest congratulations upon the splendid manner in which Canadian troops have conducted themselves during the fighting around Lens, in defeating the pick of the German army against heavy odds, and steadfastly holding gains made in the face of desperate and repeated counter-attacks. Canada is prouder than ever of her gallant sons who have so bravely and determinedly maintained her honour. We mourn with you the loss of many brave comrades.

Sir Edward Kemp.

I received this morning the following answer from General Sir Arthur Currie:

Sir Edward Kemp,
Minister of Militia,
Ottawa, Canada.

Your message of congratulation is sincerely appreciated by all ranks Canadian corps. Tell our comrades in the Canadian militia that in addition to winning and consolidating ground of great tactical value, we have inflicted casualties on the foe at least treble our own. In repeated and determined counter-attacks the flower of the German army was thrown against us, but our line remained unshaken as our own Rockies. Will not the pride which you say Canada has in her sons inspire her to send us men to take the place of those so nobly fallen.

Lt.-Gen. Sir Arthur Currie,
General Officer Commanding
Canadian Corps in France.

MILITARY VOTERS' ACT, 1917.

THIRD READING OF THE BILL.

The House resumed the adjourned debate on the proposed motion of the Hon. Mr. Doherty (Minister of Justice) for the third reading of Bill No. 127, the Military Voters' Act, 1917.

Mr. E. W. NESBITT (North Oxford): Mr. Speaker, I was not here when this Bill passed through the committee. Acting on suggestions from this side of the House, the hon. the Minister of Justice (Mr. Doherty) made some amendments which I think are an improvement. At the same time there are wide opportunities still for irregularities by those who are inclined to be irregular. My experience has been that while men may be absolutely honest in business transactions, they sometimes look on things as, what they call, smart in political transactions which are not quite honest. I hope that those charged with the administration of this Bill will not take advantage of their opportunities to commit irregularities. I had hoped that the minister would at least have seen his way clear to have allowed the non-residents who are to vote an opportunity to elect one member at large for themselves which would give the n representation in the House. But, apparently he has not seen his way clear to do so.

Sir ROBERT BORDEN: That could not be done without amending the British North America Act.

Mr. NESBITT: That Act could be amended, I have no doubt. It has been done before. We have the example of Saskatchewan and Alberta.

Mr. DOHERTY: They have power to amend their constitution; we have not.

Mr. NESBITT: That is exactly what I propose, and I do not see why we could not have that amendment made to the Act. But the minister will know whether that can be done or not. That presents one of the greatest opportunities for irregularity, and I had hoped that the provision would be so amended that there would not be any opportunity for wrong-doing. However, I suppose the Bill was fully discussed in the committee, and now it is open for the third reading and the confirmation.

Mr. A. K. MACLEAN: It was suggested to me to-day that the oath taken by those who enlist in the Canadian forces might be regarded by aliens as equivalent to naturalization. I am not sure as to the nature of the oath taken by those attesting. It may be an oath of service to the King and probably is. I can quite understand how aliens might regard that as tantamount to naturalization. I suppose there are a great number of aliens in the army. I call the minister's attention to it so that he may give it some consideration with a view to providing some amendment, probably in the Senate. It might be well, in Form "B," to put a further question and to ask: "When and where were you naturalized if not born a British subject?"—or something like that. I have not given the matter much thought.

Mr. DOHERTY: I will be glad to think about it.

Motion agreed to, and Bill read the third time and passed.

INSURANCE ACT AMENDMENT.

THIRD READING OF THE BILL.

House again in committee on Bill No. 53, respecting insurance—Sir Thomas White—resumed from August 4.—Mr. D. Stewart in the Chair.

On section 142 (b)—Accident and sickness insurance:

Sir THOMAS WHITE: All the clauses of this Bill have been passed with the exception of 142 (b), which relates to conditions under which the business of accident and sickness insurance is to be carried on by companies obtaining a license under this Act. The section was held over until the hon. member for North Perth (Mr. Morphy) should be present, and I would ask him to state to the committee the point in which he is particularly interested in connection with it.

Mr. MORPHY: The clause which I consider objectionable reads:

> (h) if the policy provides that written notice of injury must be given to the company within a specified period after the date of the accident causing such injury, such period shall be not less than thirty days.

At first sight that would appear to be in the interest of the person insured as giving him a longer time to give notice to the company; but my contention is that it is absolutely against the interest of the insured—that is the honest insured—and in favour of the man who has fraudulent intentions. I object also to the same clause under subsection 3 on page 55 which relates to casualties through illness. While it appears arbitrary, it must be noticed that there is this further clause applying to both of these clauses, that failure to give such notice within the specified time shall not invalidate the claim if it be shown that it was not reasonably possible to give notice within the time required. I contend that the experience of casualty companies must necessarily be the only safe guide for the House in determining on the safest and best legislation about matters of

this kind. I contend that the natural result of legislation providing for a period of thirty days within which notice may be given in cases of accident, and forbidding the insertion of any other period in a policy, will be to open the door to fraud. Casualty companies are peculiarly susceptible to fraudulent practices by dishonest insuring persons, who at times profit by their dishonesty and also compel companies to charge higher rates to honest insurers, as they are compelled to pay these dishonest claims. In other words, every dishonest claim that goes through increases the cost to the honest person insured. The longer the period for notice of any accident the more opportunities are given for fraud. The honest insurer generally gives notice immediately; the dishonest insurer hides his illness and, under this clause in the Bill, the man who is injured so as to incapacitate him for ten days, sees on the face of his policy that he is not required to give notice until the end of thirty days. If he is dishonest, he nurses his illness after he is cured and gets thirty days indemnity where he is rightly entitled to one, two, three, or four days. That is an objectionable feature of this Bill.

I contend that my argument is in favour of both the company and the honest insuring person. We all know that in New York some few years ago there was a perfect plethora of dishonest transactions with insurance companies. It became a great abuse, and the trend of modern legislation, both on the other side of the line and here, is to shorten the period of notice rather than to lengthen it, in order to get at the fraudulent insurer. I contend that it is the duty of the Dominion of Canada, it is the duty of any state, to protect the honest insurer and to differentiate between him and the dishonest one. Under this Bill the period for giving notice of injury cannot be less than thirty days; it is imperative, and no company can insert anything else in its policy. In other words, notice may b given after the injury has long passed away, after the man is better, and it is quite apparent upon the face of it that this will give a great lever to the fraudulent man in putting in a claim to which he is not entitled. That must be computed by the insurance companies in dealing with such claims, and will therefore increase the cost to the honest insurer. The honest insurer has to pay the cost which the companies are put to in meeting dishonest or fraudulent claims.

The same argument applies to the illness clause. One of the largest companies in Canada in the accident and illness casualty business finds that out of 3,726 claims for accident made upon it from January 16 up to July 21 of this year, 2,583 claims, or 70 per cent of the total claims for disability, were for less than twenty days duration, and out of 5,074 claims for sickness, 3,476, or 60 per cent, were for disabilities of less than fifteen days duration. See the absurdity of inserting an arbitrary clause allowing thirty days in all those cases, where the duration was from twenty to fifteen days. The avenue for fraud is clearly opened up for every one of those cases to nurse the sickness or injury, for fifteen days in one case and ten in the other. I do not say that every case would be fraudulent, but I do say that the practice is vicious; it is not in line with modern legislation, and this Bill is wrong in every place where it lengthens the term of notice. If the minister differs—I do not know that he does; in fact I fancy from what I have seen that he rather inclines to my point of view—but I do think the superintendent of insurance does. I do not like to speak about an official of the Government but there are some men who are obsessed with theories and are oblivious of facts—and the minister might find a gentleman of that kind in his department. I point out that this particular company, whose name I do not put forward, paid, in 1916, to its policy holders in Canada. $103.948.

It paid 3,726 accident claims, involving $46,887, and 5,744 in sickness claims, involving $57,061. Considering for a moment the triviality of many of these claims, one can see the danger of fixing a minimum period of thirty days, and compelling the insurance companies to state in their own policies, if they give any notices at all, that they are compelled to fix that period of not less than thirty days within which notice of accident must be given. The main object in giving notice of an accident, as I understand, is to give the insurance company a chance to investigate a claim, to send a man upon the spot to see the insured person, and to ascertain the particulars of how, when and where the accident occurred, and I think it is proper that any insurance company should have that notice within a reasonable time. As a matter of fact, I think, generally, throughout Canada, the words used in the statutes are "a reasonable time." But in this Bill the Government is providing what I maintain to be

an unreasonable time, in reference to the class of insurance which these particular clauses are intended to deal with. The lengthening of the period is an incentive and an invitation to fraud. It is as much as to say to the man who is slightly injured: "Come along, you are hurt, it is true, but do not tell the company for thirty days, although you are able to get around in three days." That part of it strikes me as very serious. Fraud hurts the company and hurts the insured. Fraudulent persons sometimes have been known, particularly in the large centres of the United States, to insure for the purpose of having an accident. Companies are up against it, and, as the companies are up against it, they put, in their schedule of rates, an allowance on account of fraud, and, naturally, the honest man taking out insurance has to pay the bill for the fraudulent one. In this case I say it hurts both the company and the man who is injured, if he is honest. The Government does not want to protect the fraudulent man who insures. To my mind the Government's duty is to consider the interests of the honest person who insures, and this provision is standing in the way here, and putting a penalty upon the honest person insuring, in favour of the fraudulent or dishonest man. The trend of modern legislation in matters of this kind is entirely opposite to the course pursued here. I have read the evidence taken before the Banking and Commerce Committee, through whose hands this Bill passed, and, while they discussed other important features of the Bill, there is not a scintilla of evidence upon the record which touches these clauses. I am told the reason the Bill is introduced in its present shape is that certain insurance companies wanted it that way; that it is a model Bill and a standard form. Yet no discussion took place about it in the Banking and Commerce Committee, and I invite the members of that committee to consider the question now. As I understand it, the trend of modern legislation is diametrically opposed to long terms within which notice must be given, and is equally favourable to the shortening of that term, in the interests of the insuring public. I would suggest to the minister that twenty days for accidents, and fifteen days for illness, would be fair, and yet to my mind it is too long.

Sir THOMAS WHITE: Is my hon. friend satisfied with the provision as to the notice regarding sickness? The notice in the Bill is fifteen days for sickness.

[Mr. Morphy.]

Mr. MORPHY: I think ten days would be sufficient. I think notice of twenty days for accidents and ten days for sickness would be about right. I would be satisfied with the sickness provision, because I can see that sickness will sometimes prevent a man from considering his ordinary business affairs in the same way as a man would who is free from illness. Accidents are notoriously public as a rule, and generally some one is looking after the man who has met with the accident. An accident brings with it the idea, have you any insurance, more than sickness does, and for that reason I would make a distinction between the two classes of cases, and would suggest twenty days' notice for accidents and ten days' notice for sickness. These are the periods which are fixed in the states of New York, Illinois, Wisconsin, Minnesota, South Dakota, Iowa, Texas, Montana, Oregon and Washington. The hon. Minister of Finance (Sir Thomas White) will agree with me when I say that in metropolitan centres, such as New York and Chicago, and those large cities, they have had an experience which no city in this country ever had, and their dates have been fixed upon the basis of the experience of the companies in those cities. I have not the general rule in the States, beyond those states I have mentioned, but those states cover the main insuring states, and most populous cities. North Dakota is an exception, that state having a thirty-day provision in case of accident. I do not apprehend that the Minister of Finance would really rather follow North Dakota than New York or Illinois. It would be like following an amateur, instead of a professional, in the business. But even if he follows North Dakota he would not be long right, because three companies have withdrawn from North Dakota since that law was put in force, and three other companies operating there have threatened to withdraw, and the Commissioner of Insurance, W. C. Taylor, North Dakota, has recently acknowledged that the Bill is a mistake, and is asking for legislation reducing the time.

Mr. PUGSLEY: I have looked over the Bill, and I do not observe that there is any definition as to what shall be deemed to be notice. Would the hon. gentleman be willing, suppose the time were shortened, to treat the mailing of a letter as notice? Because there might be cases where the person resided a long distance from the office of the company, and it would be

difficult to give them notice in the short time allowed. If the mailing of a letter were deemed to be notice, it would make it much easier.

Mr. MORPHY: I am under a different impression, but I think there is something in the Bill in regard to giving notice. As a matter of law I should think that the mailing of a letter is the giving of notice, no matter when it reaches the company, if the mailing of the letter can be proved. The law is that when a letter is put in the post office it becomes the property of the man to whom it is addressed, and I think that proof, by secondary evidence, that a letter was mailed, would cover the case, notwithstanding the want of a clause of that kind in the Bill. But, with all due deference, I should like to consider that question before I give an out-and-out opinion.

Mr. EDWARDS: The provision is in the next section.

Mr. MORPHY: The hon. gentleman from Frontenac (Mr. Edwards) tells me that in the following section there is a term regarding the notice; but apart from the United States legislation, let us come nearer home. In the province of Ontario we have what is known as the Workmen's Compensation Act, the product of the mind of one of the most able and skilful members of the judiciary in the province. That Act was drafted after some two or three years' labour and study by Sir William Meredith, who so adorns the bench of that province.

Sir William Meredith made a special study of that Act. He examined all the compensation Acts adopted by other countries, and he worked out a form of legislation admitted by even the United States authorities to be the best, the most complete, and most comprehensive Compensation Act that can be found to-day upon the statute book of any country. Section 20 of that Act goes a good deal further than the provision that I ask for here. That section provides that compensation shall not be payable unless notice of the accident is given as soon as practicable after the happening of it, and before the workman has voluntarily left the employment in which he was injured. It will be observed that notice is to be given, not quickly, or within thirty days, but as soon as practicable after the accident. Of course, there is a saving clause in subsection 5 of section 20 to protect the honest insured for failure to give the prescribed notice, if the board is of opinion that the claim for compensation is a just one and ought to be allowed. That language, to my mind, is preferable to the language used in this Bill under section 142B, clause (1). The Workmen's Compensation Act is more drastic in shutting out entirely the claim which the board may deem to be dishonest, and putting an end to it at once on account of failure to give notice as provided in section 20.

To show further the trend of modern legislation, I point to section 99 of the Workmen's Compensation Act, which reads as follows:

> Every employer shall within three days after the happening of accident to a workman in his employment notify the Board by registered post of the (a) happening of the accident and nature of it; (b) time of its occurrence; (c) name and address of the workman; (d) place where the accident happened; (e) name and address of the physician or surgeon, if any, by whom the workman was or is attended for the injury.

Why such care? Why such specific provision in point of time? Moreover, what happens if the employer does not give notice?

Mr. CARROLL: Does the hon. gentleman not realize that there is a great difference between the Workmen's Compensation Act and insurance against injury and accident?

Mr. MORPHY: If there is any difference, it is that in the one case the Government protects against fraud, and that in the other it does not. Why should not this Parliament protect the people who are paying premiums to these companies, just as they protect those who pay under the Workmen's Compensation Act? I cannot see why the Government should protect the people in one case and not in the other. This proposed legislation ought to come closer to the legislation respecting workmen's compensation, not go further away from it.

For every contravention of section 99, the employer shall incur a penalty of $50. The Act, therefore, is of a drastic nature; it compels the giving of notice quickly, so that the provincial Government may be enabled to look into the case. If that were the case here, the company affected could look into the matter in the same way, I think that the two Acts are on all fours; there is no distinguishing difference that I can see.

Mr. CARROLL: Would the Ontario Workmen's Compensation Act make any provision for the employer's giving the

notice if the injured man was unable to do so?

Mr. MORPHY: It is definitely specified here: every employer shall within three days give such notice.

Mr. CARROLL: The employer gives notice if the man is so badly injured that he can not give it himself. But in some cases nobody may know that the injured person is insured; he may be so badly injured that he cannot give notice of the accident within the ten or fifteen days.

Mr. MORPHY: This Bill provides that if reasonable cause can be shown why notice was not given, failure to give notice shall not operate against the claim. The section that I have just read comes very close to the point; it should make the minister hesitate to disregard the trend of modern legislation.

There is an abstract argument which enters into this question. The whole body of the insuring public is affected by the morality of that body. The higher the moral standard, the cheaper the insurance; fraud is entirely eliminated if the morale is absolutely good. The shorter the term for notice, the less opportunity for fraud. The fewer fraudulent claims paid, the cheaper the insurance to the individual. Such provision should be made as would tend to elevate the moral standard and not give opportunity to persons of doubtful intentions to create a bad rather than a good moral atmosphere. I have referred to the fact that this Bill protects the honest insurer; it does seem to me that there should be some drastic method of shutting out the dishonest one.

The provinces have the right to legislate upon such questions as this. I should think that the minister would deem it desirable so to standardize this clause with which I have been dealing that it would cover the whole country. Quebec province has in its code a provision that reasonable notice shall be given in such cases. The provincial courts have decided that such reasonable notice means twenty days in the case of accident and fifteen days—perhaps not more than ten—in case of illness. In the United States the tendency is not to lengthen the notice; the trend of legislation is rather to shorten it.

I know a company in Canada that gives for $12, one dollar a month, $40 a month indemnity in case of accident. The other companies in Canada are charging $21 for the same thing. That company informs me that if this Bill goes through, they will have to increase their rates. I do not think the Superintendent of Insurance will deny that; if the minister asks him about it, he will admit it. Under these circumstances, how can the minister justify the increase of the rates against the honest insuring public that would result from the provision of the present Bill? I hope that the minister will consider carefully the suggestions that I have made; that he will be guided only by his own good judgment; that he will consider the advisability of amending the Bill—I am prepared to move an amendment if that is necessary—by so changing the clauses in question that the provisions for thirty and fifteen days' notice shall be changed to twenty and fifteen.

Mr. NESBITT: The hon. member, I think, misreads the clause. I do not think it is necessary for a man to wait for thirty days before giving notice. He can give notice in thirty minutes, if he so desires.

Mr. MORPHY: Certainly.

Mr. NESBITT: But this clause prevents a company from shutting out his claim if notice is given within thirty days. Only the companies are affected by this clause, and if there had been any serious objection on their part to it, we would have heard about the matter while the Bill was before the Banking and Commerce Committee. The mere fact, therefore, that none of the companies made any objection to the clause at that time leads me to think that they do not object to it. I have had nearly twenty years of experience in connection with accident insurance, and I have represented and still represent some of the strongest companies doing business in Canada, but I have never had experience of a company shutting out a claim on account of notice not being given within the required time. I have sometimes seen notice given two or three months after an accident has occurred. It is just possible that a company might take advantage of that provision to shut out a claim, and I do not think they should be allowed to do so because a person does not give notice within thirty days, but this provision prevents them from shutting out a claim if notice is given within thirty days. That is simply for the protection of the insured. My hon. friend (Mr. Morphy) speaks of fraudulent insurers. No hon. member wants to endorse fraudulence in regard to insurance or any other matter. Many people who may have incurred apparently slight accidents, have later on

been laid up owing to their injuries developing into something serious. Many of them may not give notice to the company, letting those slight accidents go by default. If they had to give notice within a short time, they might not do so, and the company might take advantage of notice not being given within the prescribed time. During my experience I have never known of any one trying to defraud a company to any extent. Sometimes, when a person has an accident, he may make claim for a few days more than those during which he has been laid up, but nearly all the companies issue policies that cover total disability and partial disability, so that there has, in my experience, never been any trouble in settling claims. Fraud may occur in the larger cities. I distinctly remember the case my hon. friend speaks about which happened in New York. The companies found that a sort of syndicate of fraud had been created there and they took measures to counteract it. In Canada I have never heard of anything of the kind, and we, of course, are legislating for Canada. I am sorry to hear my hon. friend rather censure the Superintendent of Insurance, because I believe, if there is a capable Civil Servant in Canada to-day, it is the Superintendent of Insurance. Not only does he know his business thoroughly, but he is absolutely upright and straightforward in regard to it. I could not, so far as my experience is concerned, speak too highly of him. The clause, as it stands, is all right, and it ought to pass in its present form.

Sir THOMAS WHITE: The particular paragraph of which the hon. member complains is (h) of subclause 2 of section 142 B of the original Bill. I believe it is section 134 of the Bill as reprinted. The particular provision is this:

> If the policy provides that written notice of injury must be given to the company within a specified period after the date of the accident causing such injury, such period shall be not less than thirty days.

The intention of this was to protect the insured. I appreciate fully the point made by the hon. member for North Perth (Mr. Morphy), namely: That if the effect of this provision would be to cause frauds to such an extent that the rate of accident insurance would rise, it would, of course, not be in the interest of the public. Personally, I have not been of the view that that would be the result of the enactment of this proviso. It is to be borne in mind, in connection with this question of notice under a Dominion Insurance Act, that Canada is a very large country geographically. I can understand that, in the case of an accident insurance company doing business, say in the state of New York or in the state of Illinois or in any other state of the United States, it might be wise to provide for a shorter period of notice. But giving the matter my best consideration, I thought there was a distinction between the case of a company carrying on business in a state or a province and the case of a company carrying on business in so large a country as the Dominion of Canada. It takes a considerable time to give notice from one part of Canada to another portion which may be separated from it by two or three thousand miles, and although provision is made in this Bill for giving notice to an authorized agent of the company, all the public might not be aware of that, and most of them would naturally send their notice to the head office of the company. That is a feature that should be considered. I have an open mind upon the matter, and I would rather invite the opinions of hon. members. We do not want to make a mistake either way. I do not want a provision under which the public will be prejudiced through failing to send in their notices within too brief a time.

On the other hand we certainly do not desire legislation which will encourage fraud. With the permission of the committee, I shall read part of a memorandum I have received from the Superintendent of Insurance dealing with this matter:

> One of the clauses contained in the policy is to the effect that the insured shall have 30 days from the date of the accident within which to give notice thereof to the company. This provision conforms with what is the practice at the present time of a considerable number of companies licensed by the department. It may be pointed out that during the last few years there has been a tendency on the part of a number of the companies to increase the time within which notice may be given. Many of the older policies required "immediate notice". Those of a later date required 10 days, 14 days, 20 days, 21 days, and in recent years a number of companies have adopted 30 days. This tendency has been quite marked in practically all companies, and it is believed that the change is in the interests of the insured. The following companies have filed with the department policy forms containing provision for 30 days notice: Canada Accident Assurance Co., Dominion of Canada Guarantee and Accident Co., Employers' Liability Assurance Corp., Globe Indemnity Co., Maryland Casualty Co., North American Accident Co., Yorkshire Insurance Co.
>
> The following will indicate the provision of the policies of all companies licensed by the department at the present time.

Time within which notice may be given.	Number of Companies.
14 days	3
15 days	2
20 days	5
21 days	2
30 days	7
3 months	1
As soon as reasonably possible	6

It is true, as stated by the hon. member for North Perth, that the courts in the province of Quebec have ruled that reasonable notice is twenty days. That ruling was given, I suppose, with reference to the Quebec law governing provincially incorporated companies, but it must be borne in mind that our Act is an Act for the Dominion of Canada.

Mr. CARVELL: Does the Quebec decision hold that 20 days is the proper construction of the statute, or that the elapse of 20 days would not be unreasonable?

Sir THOMAS WHITE: I am not quite positive, but I think it is a fact that the legislation of the province of Quebec requires reasonable notice to be given, and the courts have held that 20 days is a reasonable notice under that provision.

Mr. CARVELL: Did they hold that 20 days would not be unreasonable?

Sir THOMAS WHITE: I don't think so.

Mr. CARVELL: That's the point.

Sir THOMAS WHITE: It is to be borne in mind that while most of the companies carry on their business fairly and honourably, our legislation should nevertheless be such that it is not within the power of any company or companies to take undue advantage. Cases have been drawn to the attention of the department in which companies have sought to take advantage of the insured, not because there was any doubt as to the validity of the claim, but because notice had not been given within the time limit specified in the policy. I should like hon. gentlemen who have had some experience in this matter to give me the benefit of their views, because, as I stated before, I have an open mind on the subject. Our first duty, I think should be to protect the insurers, that is, the public.

4 p.m.

Mr. NESBITT: Is not that what we are doing in this clause?

Sir THOMAS WHITE: That is what I said, but the hon. member for North Perth makes this point, and it is worthy of consideration—he says that if the notice is so long as practically to invite fraudulent claims the companies, being subject to such fraudulent claims, will necessarily have to raise their rates, and in that way the public will suffer. It is pretty difficult to decide whether the difference of ten days, as between twenty and thirty, would make so much difference to the companies in the way of having to settle fraudulent claims that the rates would have to be raised.

Sir WILFRID LAURIER: Would not "reasonable time" be the best expression of all?

Sir THOMAS WHITE: That would leave it open. I think my right hon. friend will agree with me that if we can fix a time that is deemed to be reasonable it would be better to fix it, because otherwise the question of what was a reasonable time would depend upon the point of view of the court, and a man who had suffered an accident, and was insured against accidents, would not know in advance what the court would hold as a reasonable notice, and consequently he might be prejudiced. I do not think we should insert a provision that it should be a "reasonable notice." If this committee can come to a conclusion as to what is a reasonable notice with respect to the filing of claims arising out of accidents in a country such as Canada, I think we should insert that term in the Bill, so as to have it fixed and definite.

My hon. friend has touched upon one other point. He says that many of these companies are provincially incorporated, which is true, and that they might therefore be left to provincial legislation. It is to be pointed out, however, that we are about to license such of these companies as will submit themselves to the provisions of this Act, and take out a license from the superintendent of insurance, and it is open to us to provide, as a condition of their obtaining that license, and for the sake of uniformity in accident and sickness insurance in Canada, that they shall be subject to the provisions of this Act, including among others a limitation as to period of notice.

Mr. CARVELL: I quite agree with the Finance Minister as to what should be the intention of the Act. Personally, I think that thirty days is not an unreasonable limit. I appreciate that we can hardly decide what the law ought to be in respect of sickness and accident policies from our experience with life insurance policies. For a great many years I tried to get fire in-

surance legislation introduced into this Parliament, or at least, I tried to get the officers of the department to admit that we had jurisdiction enough to get the kind of law I wanted with regard to fire insurance policies; but I did not succeed. My experience with insurance companies has been that there was not sufficient time, or their regulations were so framed as to prejudice the insured on account of technicalities. My professional experience, of course, has been more largely concerned with fire insurance cases than life and accident cases. I remember that I lost the first case I ever had against a fire insurance company, because it was provided that proof of loss must be filed within fourteen days. In this case proof of loss was not filed until the seventeenth day, but the court held that I was right and I got a verdict, but I lost the case on appeal. I have had many other cases; some I have lost on that very ground, and in others I have had a very close call. Quite a number of years ago the legislature of Ontario adopted the standard clause, and practically all the other provinces have followed in providing that proof of loss shall be filed as early as can reasonably be done, or some words to that effect. The courts of the different provinces have held that in some cases thirty days was a reasonable time and they have even gone so far as to hold that sixty days was not unreasonable. I had a case within the last ten years in which our own courts held that fifty-nine days was reasonable under the circumstances. I would not want to see this time limited. I do not know that I would advocate extending it beyond thirty days because there is a difference of principle between fire insurance companies and accident companies. If a building is destroyed by fire it is destroyed so that if damage is done it is there and it can be seen at one time as well as another; whereas, in the case of an accident company, it is quite possible that a man may receive an accident and within thirty days the man would have recovered and the insurance company would have no opportunity of examination. I presume that is the point that the hon. member for North Perth (Mr. Morphy) has raised. I think it would be a mistake to limit this time to a period under thirty days. Any man ought to have at least thirty days in which to give notice. There are not many cases of fraud and there are few cases in which companies wish to contest claims. They are surrounded by sufficient protection. The claimant must prove his case on some reasonable evidence. He cannot go into court, and say: I was sick, or I was injured, or laid up, for two or three weeks. He has to produce some kind of proof. He may have to produce medical proof. I do not say that he necessarily must do all that, but in the ordinary course of business in proving a case in court, we have to give evidence of some kind. Therefore, I do not think a delay of thirty days would prejudice the case or that the company would not be in a position to protect itself. I take it to be the principal object of giving notice that it puts the company in a position to make an investigation if it chooses to do so. If I were going to err at all, I would want to err in favour of the insured. Cases of fraud are very few and what is proposed by the hon. gentleman, I am afraid, would militate against the insured in order to protect a company against a possible case of fraud. I think the clause as it now stands is reasonable.

Mr. CARROLL: I think the minister is correct in stating that a time limit of at least thirty days is in favour of the insurer. On the other hand, if what the hon. member for North Perth (Mr. Morphy) says is correct, his suggestions are both in favour of the insured as well as the insurance companies. If the insurance companies have to raise their rates on account of fraud being practised under this particular section, the persons getting insurance would have to pay an increased premium. But we have the statement of the Minister of Finance that the insurance companies themselves are the best judges of whether an increased time limit for giving notice will tend to fraud and thus force them to increase their permiums. The fact that there are seven companies, licensed under the Dominion Insurance Act, who have, of their own volition, limited the time within which notice was to be given to thirty days, and one to three months, is some evidence that these insurance companies do not share the opinion of the hon. member for North Perth. As regards the ground taken by the hon. member for Carleton, N.B., (Mr. Carvell) that perhaps there should be no time limit—

Mr. CARVELL: I did not say that.

Mr. CARROLL: That reasonable notice should be given—

Mr. CARVELL: I did not say that; I said that thirty days was reasonable.

Mr. CARROLL: With regard to the provincial statutes, which have these words "within a reasonable time" in them, if my hon. friend from North Perth looks at the Supreme Court reports for the province of Quebec, he will find, in the case he mentioned in which the judges decided that twenty days was a reasonable notice, and the decision was based on the circumstances surrounding that particular case. He will find a case from that province in which it was held that 78 days was a reasonable time because the insured was not in a position before the 78th day to give notice to the company. So that I do not think that this Quebec case is going to carry you very far. Each particular case is based on the circumstances by which it is surrounded. I do not think that thirty days is a sufficient time. There have been many cases in which the public have been defrauded and not the company. I think that even if this legislation only provided for twenty days the public would still be protected because the next paragraph says that,

> Failure to give such notice within the time provided in the policy shall not invalidate the claim if it shall be shown that it was not reasonably possible to give such notice within such time, and that notice was given as soon as was reasonably possible.

Therefore, I do not think it makes much difference whether it is twenty or thirty days.

Does the minister not think I am right in that?

Sir THOMAS WHITE: My hon. friend is right in stating that the policy would not be invalidated even if the notice was given beyond the thirty days provided it would be shown that it was not reasonably possible to give such notice within such time. But it would be a question of fact as to whether it was reasonably possible or not. It is difficult to say just how the court would construe that.

Mr. NESBITT: That would be a case of dispute.

Sir THOMAS WHITE: Yes.

Mr. CARROLL: I cannot see that the provision as to thirty days is going to breed fraud in connection with this matter. If I thought so I would be one of the last persons who would uphold the section, but I cannot see it in view of the action of these accident companies themselves in allowing the extended time. As the section stands it suits me all right.

[Mr. Carvell.]

Mr. NICKLE: My hon. friend from North Perth (Mr. Morphy) has directed attention to the fact that there was not much discussion on these subsections when the Bill was before the Banking and Commerce Committee. My recollection is that upon the day that these subsections were under discussion I was the acting chairman. I think the reason there was so little discussion was that the representatives of the accident insurance companies who were present and taking an active part in the discussion in reference to the other sections were agreed that thirty days was a fair compromise as between the insured and the insurer as to the time within which notice should be given of accident, and that fifteen days was a fair time within which notice should be given of sickness. I think the committee approached the subject in the light that insurance was for the benefit of the insured and not primarily for the benefit of the company, and that regulations should not be of such drastic character that by too rigid advantage being taken of the time limit the companies might escape liability. They also regarded the subject from the point of view that the giving of the notice after recovery from them did not deprive a company of the opportunity of making inquiry and of satisfying itself as to the extent of the injury. If I understand it, the company always has a right to demand that proof be given of an injury suffered, or of the duration of an illness, or the time when a man was laid up as the result of an accident. It may demand proof from the members of the family; it may demand proof of those who saw the accident, and it may require that the evidence of the medical practitioner who was in attendance be given as to the extent of the injury.

Looking at it from the practical standpoint, cases have come under my notice of men receiving what they thought were trifling injuries which subsequently developed into something very much more serious. But on presenting their claims to the company, they were put out of court and the claims not recognized as notice had not been given within the time provided.

I think the object of this committee should be to hold a balance fairly between the company and the insured, and reviewing all the facts as they have been advanced by various members this afternoon, I do not think much injury will be done to the insurance companies by leaving the terms thirty days and fifteen days, and I certainly think there are cases in which it

will be honestly to the advantage of the insured.

Mr. MORPHY: The hon. member for Cape Breton (Mr. Carroll) says that his mind is made up by the figures given by the Finance Minister. Those figures were that twelve companies had expressed a preference for a period of notice running from fourteen to twenty-one days; three had filed a preference for fourteen to fifteen days; five of twenty days and two of twenty-one days. There were only seven companies in favour of a requirement of 30 days' notice as against twelve who favoured a notice of twenty-one, twenty, fifteen or fourteen days.

The hon. member for Carleton (Mr. Carroll) spoke of the necessity of giving proof. There is no danger that the man who goes out to be fraudulent will not have his proofs ready. That was well shown in the New York frauds. They even went out to have the accident made; they had the motor car burned, they had the witnesses all on hand —some of them strangers whom they had never seen before. Everything was in complete order. The proof will always be ready when the fraudulent man undertakes to deceive; he is in it for the business. It is all right to say that we have not much fraud of this kind in this country; but if the hon. members ask the companies they will find that there is any amount of it, especially in the larger centres, and the companies do complain, and I think with great cause.

Mr. KNOWLES: Would the evil complained of, as in the automobile case, be remedied by having a shorter period of notice?

Mr. MORPHY: The fraud would not be perpetrated so easily. With the longer term, opportunity is given to prepare the evidence and get everything shipshape.

As to the suggestion of the hon. member for Kingston (Mr. Nickle) about holding the balance evenly, there is only one way to hold it and that is to do a good turn to the company by lessening existing fraud, which will enable the company to give insurance to the public at a cheaper price and at the same time protect the honest insurer from the payments out by the company to fraudulent claimants. It is easily seen that every fraudulent claim paid out increases the cost of insurance to the honest insurer.

Sir THOMAS WHITE: This matter appears to have been considered by the Banking and Commerce Committee, and as the consensus of opinion here appears to be in favour of the proviso as it stands, I do not feel that I would be justified in suggesting any change.

Amendments agreed to, section as amended agreed to.

On the schedule.

Sir THOMAS WHITE: I may say to the hon. member for St. John (Mr. Pugsley) that the superintendent of insurance has gone most carefully into the checking of all references and cross references. We believe that the Bill now is accurate in respect of the numbering and references and other matters so essential in a Bill of this kind. The Bill and schedule have been reprinted, and the sections renumbered.

Mr. CARROLL: Has the minister any information as to whether or not the New York Life Insurance Company has a federal charter?

Sir THOMAS WHITE: Yes.

Mr. CARROLL: The reason I ask is that I find they have been holding up a lot of insurance on soldiers killed at the front, and I want to take the matter up. I do not know whether it has been brought to the attention of the department or not.

Sir THOMAS WHITE: If the hon. member has a special interest in this matter, he had better speak to the Superintendent of Insurance. I think there is a regulation which covers the case.

Bill as amended reported. Amendments concurred in, and Bill read the third time and passed.

SUPPLY.

House again in Committee of Supply. Mr. Rainville in the Chair.

Trade and Commerce—Salaries, rents, wages and contingencies, under Canada Grain Act. Further amount required, $75,000.

Sir GEORGE FOSTER: This is the additional amount required for the administration of the Canada Grain Act. It is largely required because of the increases that have been made on account of the existing increased cost of living to the employees of the eastern and western division of the grain inspection staff, as recommended by the chief inspector and approved by the Board of Grain Commissioners; also to provide for such increases in the staff, as may be recommended by the chief inspector and approved by the board, to take effect

on the first of September, 1917. This is really the explanation of the vote. It will be recollected that the total number of employees in the whole system east and west is a little over 400, and, distributed amongst those, these increases amount to about $60,000.

Sir WILFRID LAURIER: What is the present expenditure for salaries to-day of those 400 employees?

Sir GEORGE FOSTER: The total expenditure last year for salaries was $433,000.

Sir WILFRID LAURIER: It is increased by $75,000.

Sir GEORGE FOSTER: We gave a ten per cent war bonus, and we have increased some of the salaries a small amount.

Mr. PUGSLEY: My hon. friend the Minister of Trade and Commerce is proposing to increase the salaries of gentlemen who are administering the Canada Grain Act, and he is proposing to do this by reason of the high cost of living. I understand these very gentlemen who are administering the Grain Act would have it in their power, if they exercised proper judgment, and the Government gave them the proper authority, to reduce the price of foodstuffs, by reducing the price of grain, which is the essential element which regulates the cost of flour and the cost of bread; and such a reduction would be very beneficial to the masses of the people of this country. We have had the expectation held out to us that, by reason of the appointment of a food controller, there would likely be a reduction in the cost of living. We know that the price of flour is very high indeed, and one of the excuses put forward for these high prices is that the cost of grain to the millers is very high, and speculators, middlemen or dealers in grain are receiving large profits by reason of the high price charged to the millers. Has any reduction been made in the cost of living as a result of the appointment of the food controller?

Sir GEORGE FOSTER: Only a short time has elapsed since the appointment of the food controller, and a period of preliminary examination is, of course, necessary. My hon. friend's question, therefore, is a difficult one to answer. We have deemed it necessary to make a reasonable advance to the workers in all the departments of the Civil Service, inside and outside on account of the increased cost of food staples, rents, and things of that kind, owing to the war.

Mr. PUGSLEY: There has been no increase in rents; on the contrary, there has been a decrease.

Sir GEORGE FOSTER: If my hon. friend will compare the rents of this year with those of three or four years ago, I think he will find that there has been an increase.

Mr. PUGSLEY: They are less to-dav than they were three years ago.

Sir GEORGE FOSTER: My hon. friend chooses to dispute that point. However, there is a general conclusion that the cost of living has very materially increased, and on that account we have made increases in all branches of the service, inside and outside. My hon. friend thinks that the persons employed in this large branch of my department have the matter in their own hands; that they can bring down the prices if they choose, and that, therefore, it is not necessary to increase their salaries. As a matter of fact, the workers under the Grain Act have no such power. The Board of Grain Supervisors—an entirely different body from the Board of Grain Commissioners, who administer this Act—have the power of fixing the price of wheat. That is their only power; they have nothing whatever to do with the administration of the Grain Act. They temporarily fixed the price of wheat at $2.40, first as a maximum, and for the latter half of the month as a flat price. The United States authorities have within the last twenty-four hours fixed the price of grain for the year's crop in that country at $2.20 for No. 1 Northern spring wheat. There is a marked difference between the price of $2.20 for that grade of wheat, with accompanying prices for lower and higher grades, and the price last year, and the year before. There is no possibility or probability, so far as I can see, of prices being decreased during the coming year. So that circumstances over which the food controller and the workers under the Grain Act have no control combine to make the cost of living high, and it is to compensate for that that we have made provision in this vote for a reasonable increase to the officials and workers in this branch of my department. My hon. friend asks whether as a result of the appointment of the Food Controller, reductions, in the prices of foodstuffs have taken place. As a general rule, I think that decreases have probably taken place, having regard to the prices that would have pre-

vailed if there had been no food controller. But we must recollect that the two or three weeks' work of the food controller have been almost entirely preliminary work. The fixing of the prices of food in a country like ours or in the United States is a task of very great magnitude; very careful and prolonged investigation is required before prices can be fixed with the assurance that they are based on the best information that can be obtained. So that it is a little too early to look for specific reductions in the cost of food owing to the fixing of prices. But the work is under way, and I hope that from time to time, as the Food Controller covers the various fields here and as the same fields are covered in the United States, reasonable reduction of prices shall be obtained.

Mr. PUGSLEY: In view of the fact that the war has been on for three years and that the cost of living has gone up steadily month by month, the minister ought to be able to make to the committee a more encouraging statement than that which he has just made. Instead of taking official measures to control and to keep within reasonable bounds the cost of living, the minister, knowing that that increase in the cost of living bears hardly upon certain officials in his department, proposes to increase their salaries. The Government does not seem to be able to devise means to give relief to the general people of Canada —the masses of the people, who are not in the employ of the Government, and who are ekeing out an existence as best they can in the face of very great difficulties. I have received many letters from people who ordinarily can get along very well. They complain of the meatless days; they complain of their being obliged to eat bread without butter, to go without potatoes, to pawn their clothes in order to secure the necessaries of life. Those are not exceptional cases; they are numerous throughout the country. Perhaps my right hon. friend does not hear of them. If he will go amongst the poorer people of this country, he will find that what I have stated is true. Yet the Government of the day, with all its power, knowing as it does that prices are exceptionally, unreasonably and unnecessarily high, is not able to give any positive statement that there will be a substantial reduction. The most that the minister is able to say is that possibly, if it had not been for the appointment of a food controller, prices would have been higher than they are to-day.

Mr. W. H. BENNETT: Where does this state of affairs exist—in the imagination of the hon. member or in Canada?

Mr. PUGSLEY: It exists, as a matter of fact, in Canada.

Mr. W. H. BENNETT: I can tell my hon. friend that it does not exist in Ontario.

Mr. PUGSLEY: If the hon. member thinks it does not exist, then he does not know the condition of affairs.

Mr. W. H. BENNETT: Produce the letters.

Mr. MIDDLEBRO: From what portion of Canada has the hon. member received the letters?

Mr. PUGSLEY: I have received some from the city of Ottawa. I have received quite a number from New Brunswick. I have received many from people who are not known to me, who state facts which have impressed me very much. The hon. member for Russell (Mr. Murphy) the other day read an extract from a newspaper, stating that the millers are making a profit of $5 per barrel on flour.

Mr. BRADBURY: That is nonsense.

Mr. PUGSLEY: The hon. member was informed by the Government that an inquiry would be made and that information would be given to the House on the subject. We have not so far been favoured with that information, but we know, taking the present price of wheat, that the present price of flour to the consumer must give to the miller a profit beyond all reason. If this Government had any regard for the interest of the consuming masses of the country they would take effective steps to control and to reduce the cost of flour to the people of Canada. There are two ways in which the cost of living can be kept down. I throw aside the question of the increase in rents suggested by the Minister of Trade and Commerce because it is within my knowledge that, in many of the cities in Canada, rents to-day are very much lower than they were three years ago. It is the cost of food which makes the cost of living high. The two ways in which that can be reduced are, first, by controlling the cost to the consumer and, secondly, by increasing the production. We have over and over again urged in this House that the Government should encourage our farmers to get farming implements of the most modern type and capable of the greatest production. It has been urged by speeches.

and by resolutions which have been moved, that the duty on farm tractors should be taken off. Gentlemen of very high intelligence in the Senate have brought the matter up, and the Government have been urged to act. There is an opportunity to utilize to very great advantage, not only in eastern but in western Canada, farm tractors of the cheaper sort with which large tracts of land could be brought under the plough and made capable of producing in the coming year, if the farmers could get those tractors at a reasonable price. But the duty which the farmers have to pay is kept up—I think it is 32½ per cent—and this Government is giving no encouragement whatever to increase production. They are appealing to the farmers to increase the production of wheat and potatoes, but upon every implement of a modern character which is required for the production of potatoes, there is a very high, almost a prohibitive duty, and the same is true with regard to farm tractors. I will make a last appeal—I presume this is the last opportunity I shall have of doing so during this session—to the Minister of Trade and Commerce and to the Minister of Finance to take this matter into immediate consideration and, by Order in Council, to place farm tractors and implements necessary for the production of potatoes upon the free list in order to give every possible encouragement to the farmers to increase production. This is a most important matter, and I believe, if the duty were taken off farm tractors, the result would be that many hundreds, I am inclined to think many thousands of those tractors would be brought into Canada in the near future, so that during the present season, before the winter sets in, there would be a large increase in the land which would be ploughed up and made ready for increased production in the coming year. Is it hopeless for us to appeal to the Government to take an intelligent view of the situation and to act without delay?

Mr. W. H. BENNETT: I do not think the hon. gentleman is taken more seriously outside than he is inside this House when he makes a statement as wild as the one he has made about poverty stalking through the country and people being utterly unable to obtain work. I will place alongside of his wild statement the fact that in the Toronto Telegram there are seven columns of advertisements for "help wanted" of all kinds, aggregating in round figures 500 vacant positions, and the people will judge for themselves about want of employment in Canada. Let us look at some of the positions which are vacant. There are wanted mechanics of all kinds, railway help, bakers, electricians, first class machinists, men in shipping departments, ordinary labourers, young men with fair education, pile drivers, chartered accountants, returned and discharged soldiers only to register for all classes of work in the city, some one to take charge of large offices, chauffeurs, drivers of motor trucks. There are almost innumerable vacant positions in the city of Toronto. There is an almost interminable list of female help wanted. Against that goes the bald statement of the hon. member that no person can get work in the country. In the Toronto Globe I find column after column of advertisements offering employment. I live in a town in which you cannot secure a man for an odd day's work for less than $3 a day, and that state of affairs prevails throughout Ontario. The hon. member cannot get any one on his own side to support the statement he has made.

Mr. WRIGHT: The statement has been spread broadcast throughout this Dominion by a man engaged in the grain business around Port Arthur—and it is largely quoted in the press of this country and by hon. members in this House—that the millers of this country are making very large profits and that the public are being bled accordingly. I have made just a small tabulation with regard to this matter. Those who are acquainted with the milling business know that in the eastern provinces it takes about five bushels of wheat to make a barrel of flour.

You might sometimes make a barrel of flour out of four and a half bushels of the very finest grade of wheat grown in the Northwest, but as a rule four and three-quarter bushels of wheat are required to make a barrel of flour. Figuring that out at $2.40 a bushel, which is the price that has prevailed in Winnipeg for a very considerable time, we get $11.40. Out of the four and three-quarters bushels of wheat, the miller would probably get $1.50 worth of bran and middlings; that is figuring bran and shorts at 2 cents per pound almost, and it would not average that to-day. But we will suppose that the bran and middlings are worth $1.50; that leaves $9.90 as the net cost of a barrel of flour at Winnipeg. To that must be added the price for milling the wheat, the freight from Winnipeg, or Port Arthur, to the various centres from which the flour

is distributed, the wholesaler's price—the wholesaler generally buys by the carload—the retailer's price, the bags for the flour, the cartage charges from the retailer to his customers and from the station to the retailers. All these things add to the price, and when a man makes the statement that millers in this country are making $5 a barrel out of the flour they make, he is making an absolutely ridiculous statement, which ought not to carry any weight, and which certainly does not carry any weight, with those who have the slightest knowledge of this business. A man who makes a statement of that kind either does not know what he is talking about, or he makes the statement for the deliberate purpose o misleading the consumers of this country. I have no objection to a man spreading his opinions on the pages of Hansard and publishing them broadcast throughout the press of this country so long as he gives the actual facts and knows what he is talking about. If the millers are getting too much the people of the country should be told.

Mr. PUGSLEY: Will the hon. gentleman permit me a question?

Mr. WRIGHT: My hon. friend denied me the courtesy of asking a question a few days ago, but I will be more courteous to him than he was to me.

Mr. PUGSLEY: I think the hon. gentleman must be mistaken. I do not remember the occasion; it must have been some years ago. The hon. gentleman says he has knowledge of these things, and I will not dispute that. What in his judgment would be a fair price for flour to-day?

Mr. WRIGHT: His question would be more intelligible if he would indicate the grade of flour.

Mr. PUGSLEY: The best grade of flour.

Mr. WRIGHT: I do not think that flour can be retailed much cheaper than it is to-day, if the millers are to have a reasonable profit. I do not say but what the price might be reduced a little, but it depends altogether on the grade of wheat the millers are grinding. For instance, anybody conversant with the business knows that No. 1 Northern is not the same quality from year to year. The millers and the grain dealers get together every year and arrange what shall be the standard, based on the average quality of that year's crop. So it is somewhat difficult to answer my hon. friend's question. The point I was making was that the assertion that the millers are making $5 a barrel is so utterly outrageous that nobody ought to thoughtlessly spread it broadcast throughout this country. The statement is so absolutely untrue and unreasonable that I thought it was time somebody got up and denied it.

Mr. PUGSLEY: What does the hon. gentleman say the millers are making?

Mr. WRIGHT: A good deal will depend upon the miller's ability to finance; whether he can buy in a large stock at some particular time to last him through the season, or whether he has to buy from day to day; whether he can conduct his business prudently and with economy, and some men can conduct their business much more economically than others. All these things have to be taken into account, and consequently, it is very difficult to state what would be a reasonable profit.

Mr. OLIVER: My hon. friend is desirous of correcting a wrong impression with regard to the profits made by millers. The profits made by millers naturally depend upon the price they pay for the wheat and the price they get for the flour, and I presume the statement to which my hon. friend objects was based upon a comparison between certain prices paid for
5 p.m. wheat and certain prices received for flour.

I made a little calculation while I was listening to him, and so far from finding that the statement to which he objects was incorrect, I find it is capable of being very seriously accentuated. A large part of the wheat of last year's crop in the West was bought at $1.25 a bushel.

Mr. WRIGHT: What grade?

Mr. OLIVER: On a basis of No. 1 Northern. I do not say it was all bought at that price, but a large part of it was bought at that price. My hon. friend knows as well as anybody else that they bought that wheat, ground it into flour, and sold part of it on a basis of wheat at $3 a bushel. That gives a profit, not of $5, but $8.75 a barrel, and my hon. friend cannot figure it out any less, on his own calculation, so long as the multiplication table stands. It was on the comparison between the price received by the farmer for his wheat and the price received by the miller for his flour that I presume the statement to which my hon. friend objects, was made. There is no manner of doubt that it was absolutely correct if it is taken in the proper sense, but if it is assumed that what was meant was that the miller makes $5 a barrel on every barrel of

flour he sells that would be an absurd statement, and I do not think anybody ever made it.

My hon. friend estimated the price of bran and middlings at two cents a pound. Now two cents a pound is what the farmer received for his whole wheat, as regards a great deal of last year's crop. So on my hon. friend's own showing, the miller is getting for the waste product the same price per pound that he paid for the wheat out of which the waste product comes. I think it will be admitted that that is the basis of a very profitable transaction in which the miller is not losing any money.

Mr. WRIGHT: The hon. gentleman has had to take refuge behind an imaginary condition. He pictures the miller buying his whole year's supply of wheat at some favourable time. Now, there are very few millers in Canada who can afford to do that, and the miller who bought wheat at $1.25 must certainly have bought it a long time ago. I do not know any who have bought wheat at that price this year.

Mr. OLIVER: Last September and October.

Mr. WRIGHT: Does my hon. friend think that the millers, taken as a whole, could buy enough wheat last September to last them for a whole year, and would take the chances of the price of wheat going down as well as up? Any man engaged in ordinary business figures out his profit on the basis of cost at the time he buys the article. Supposing wheat goes down 75 cents a bushel, where will this miller be? He will be out that much.

Mr. KNOWLES: He will hold up the price of flour.

Mr. WRIGHT: The only reasonable way to figure this is to figure the cost of wheat and the cost of the flour after the wheat is ground. As to the price of bran, I admit that I possibly overstated it. I figured it at $40 a ton. It is not worth that, even including the freight.

Mr. OLIVER: I think the hon. gentleman is entitled to more credit than he takes to himself.

Mr. WRIGHT: My hon. friend (Mr. Oliver), not very long ago, was urging this Government to do something to cheapen flour. He asked: Why do you not commandeer wheat as you did last year?

Mr. OLIVER: No, I did not.

Mr. WRIGHT: He made the statement that wheat was practically all out of the hands of the farmers. He said that it was in the hands of the grain dealers, and that they were the friends of the Government. It was not very long after that, when the Government fixed the price of the balance of the crop, that the hon. gentleman was heard from again. According to him, the grain had, in some miraculous manner, got back into the hands of the farmer. He said the farmer was suffering because he was only getting $2.40 a bushel for his wheat, and he tried to suggest to the farmer of the West that he was being prejudicially affected. After stating that the grain was all out of the hands of the farmer and that the man who was profiting was the grain dealer—who is his friend, I presume—he was very anxious to convey the impression that it was the farmers who were suffering. The farmers of the West have to eat flour just the same as anybody else, and if setting the price of wheat at $2.40 a bushel was a proper thing to do in the interest of the consumers of the East it was a proper thing to do in the interest of the consumers of the West. Some of the farmers of the West are taking the position of speculators in wheat. They are going into buying on margin just the same as other classes in the West. I do not think we ought to shed very many briny tears over the losses of the farmer who can get $2.40 or $3 a bushel for his wheat and does not take it. If, in July or August, there is a fixed price and if he is still holding wheat for which he could have got nearly $3 before that, I do not think he suffers to any very great extent if he has to take $2.40. The consumers of Canada, as a result of this fixed price of $2.40 per bushel, are getting their flour a great deal cheaper than they otherwise would have at this time. We know that elevator men and big grain dealers all over the country, who had bought wheat with the expectation that they would get a large price at the close of the season, were disappointed and no doubt they were making a pretty heavy squeal. I take it for granted that the criticism did not come from the ordinary grain grower of the West who was confining his energies and enterprise to the growing and selling of wheat. A grain producer in the West, who is going into speculation and buying on margin, and who supposes that he can compete with the big grain merchants, must take what comes to him, the same as other speculators, if he chooses to go into that line of business. I want to refer again to the point

that I mentioned at the outset of my remarks.

Mr. KNOWLES: I do not understand what the hon. gentleman means by "other speculators." Other speculators were not interfered with in the least by the Government. For example, Sir Joseph Flavelle was not interfered with. There was no price limit fixed for his bacon, beyond which he could not go. Therefore, I do not understand what my hon. friend means by saying that the farmer should take the same chance as other speculators because other speculators are not interfered with.

Mr. WRIGHT: Other speculators are interfered with to a great extent.

Mr. KNOWLES: How?

Mr. WRIGHT: I was dealing with the question of wheat and I am quite prepared to go into the other question at any time the hon. gentleman suggests. But, I want to deal with one thing at a time.

Mr. KNOWLES: I thought the hon. gentleman was dealing with other questions as well.

Mr. WRIGHT: No. It is said by the hon. member for Edmonton that the farmers only got $2.40 a bushel for their wheat when they expected to get $3. My answer to that is that the Government acted in the interest of the consuming public and that the people were saved probably millions of dollars through this action. Yet the hon. member for Edmonton would condemn that action and he points out that, because of it, wheat was dearer, in Minneapolis than it was in Winnipeg. The Minneapolis buyers were depending on getting their little surplus of No. 1 hard wheat at a particular time in the season and they expected that they would get what they needed from the Northwest. That supply was suddenly cut off. We know that there are certain times in the year when grain dealers themselves are needing grain, when some are on the short side of the market, when they have to get a little more to fill an order, and we also know that everybody is buying very close when it comes down to the end of the season. It will all depend on whether wheat is scarce or not whether it does or does not go up abnormally. The man who is in the business has to take his chance and the price may go up or down. Under ordinary conditions nobody can tell what, at a particular time in the future, is going to happen with regard to the price of wheat. But we know that the conditions are not ordinary and the probability as to what will be required is a matter of judgment on the part of the buyer. Those who had the necessary money and credit bought ahead. No doubt those who bought wheat made some money, but that fact is not a ground for objection to the price. We must take the price as we find it, offset it by the charges and arrive at a decision as to what would be a proper profit to take on a barrel of flour or any other commodity. I submit that that is the proper way of going about it. When the statement is sent broadcast that because a man bought something a year ago and it happened to go up abnormally, he is to be condemned for his acumen in looking to the future and judging how things would be. I say that such a statement has no basis in reason. He had to take his chance of the price going down as well as of its going up. It is only an ordinary principle of business that the man who uses his best judgment in regard to these things is going to get a little extra profit; but if he makes a loss he bears it as well as he may. It is an unreasonable thing to take the price of flour now and the price of wheat a year ago and put one against the other. The thing is so utterly absurd and unfair that I wonder at anybody taking that ground in this House.

Mr. DOUGLAS: My hon. friend appears to have forgotten that this country is at war. When he makes the statement that flour is sold on the basis of the price of wheat, he overlooks the fact that the millers' trust is one of the most nefarious trusts in the world.

Mr. WRIGHT: What is the millers' trust? Is the hon. member for Huntingdon (Mr. Robb) one of them?

Mr. KNOWLES: Suppose he is, what has that to do with it?

Mr. DOUGLAS: The Lake of the Woods Milling company, the Ogilvie Milling company, the Maple Leaf Milling company and the Robin Hood Milling company practically control the output of flour to the consumer. The small miller buying on the market from day to day to supply his mill cannot compete in the price of flour. The statement made by the hon. member for Edmonton (Mr. Oliver) is absolutely correct, inasmuch as the bulk of the wheat for milling purposes was bought last fall at a price ranging from $1.25 to $1.60 per bushel. The Ogilvy and the Lake of the Woods companies have elevators all through

western Canada, and they purchase grain at these elevators for the purpose of producing flour and taking advantage of every rise in the market. If these were normal times, no exception could be taken to the attitude of the millers, but we must remember that this country is at war; that the submarine campaign being conducted by the Germans is accounting for a part of our supply of grain, and when you argue from ordinary business ethics in connection with a product such as flour, which is essential to human life, I think the argument is absolutely without foundation and cannot be substantiated.

Mr. WRIGHT: The statement has been made that the miller is making $5 per barrel on flour. I take exception to that statement. I do not believe it is true, and I do not think any gentleman who inquires of any miller in this country will get a reply that will warrant him in making such a statement.

As to the statement of the hon. member for Edmonton that the bulk of the wheat for milling was bought last September, I want more than the hon. gentleman's unconfirmed word. I do not think there is money enough in all the milling companies to buy sufficient wheat to keep all the mills of Canada running for twelve months. That would be an enormous amount. No doubt they would buy as they could, but I venture to say that somebody has been buying wheat from that time until to-day. Who was buying it? The milling companies. No doubt they are buying wheat to-day and have been buying it every business day since last September. They are buying it to grind it into flour, and it is being ground into flour.

Mr. OLIVER: I think my friend has thoroughly established the truth of the statement that there was a profit on flour to the miller up to $5 a barrel.

Mr. WRIGHT: The hon. gentleman says so; I certainly did not.

Mr. OLIVER: His argument substantiates that fact, and if there is any doubt about it, he can find that $5 a barrel right in the dividends of the milling companies. He could find it last year, and I am satisfied he will find it this year because, if they made a killing last year, they made a double killing this year.

I do not think that the hon. gentleman is right in quoting me as objecting to the Government fixing a price for wheat. My memory is that I was anxious to know if a price had been fixed for flour. Whether I said so or not in connection with the price of wheat, I think it would have been only fair that, when a maximum price was fixed for wheat, a maximum price should also have been fixed for flour. That is the position I took, and that is the position I still take.

I plead guilty to having asked the minister questions in regard to the difference in price between Winnipeg and Minneapolis, and I have no apology to make for having asked them. The Minister of Trade and Commerce (Sir George Foster) will recall a very lengthy lettergram which he received from an association in Calgary, who were certainly in very close touch with the farmers, because they are entirely an association of farmers, in regard to this very matter. I did not find fault with the Government for having fixed a maximum price for wheat. Recognizing war conditions, I am of the opinion that speculation should, so far as possible, be cut out; that is to say, that no man should be allowed to take advantage of the needs of the country by reason of his special position of advantage in regard to money or anything else, and that it is perfectly right that, under war conditions, there should be a fixed maximum price for wheat. The question is, what is a fair price? It is not the business of the Government, in fixing a maximum price for wheat, to put that maximum below what is fair according to the world demand and the world price. I agree to the fixing of price as a means of cutting out speculation, of cutting out the obtaining of an undue profit by individuals or associations by reason of the exercise of what my friend speaks of as their best judgment in taking advantage of the situation. That, I quite agree, should be cut out; but I do not agree that it is any part of the business of our Government or our country to fix a price below what is fair according to the market prices of the world

Mr. WRIGHT: Does my hon. friend suggest that $2.40 is too low, that it should have been fixed higher?

Mr. OLIVER: As matters turned out, I say so, certainly. That was the point I had in mind, that when we found that, for almost one whole month, the price in the United States was anywhere from five cents to fifty cents a bushel higher than it was on the Canadian side and it was necessary to impose a prohibition on the export of grain to the United States—I say that was evi-

dence to my mind that the price had been fixed lower than it should have been, and I think it was perfectly legitimate on my part to call attention to that fact. I cannot agree to the principle that the price of wheat to the farmer should be fixed simply at the whim of the Government or of the Board of Grain Supervisors or of anybody else. It should be fixed on the basis of the fair world's price at that time and from time to time.

Mr. WRIGHT: It was fixed, as I understand, at the price which prevailed at that time.

Mr. OLIVER: I could not say anything about that. There is no doubt that the holders of grain in the prairie West lost, as a result of the fixation of price by the minister, a matter of not less than $3,000,000 in cold cash in the month of August. My judgment is that this country cannot afford to lose money in that way, that it is not right that we should be put in that position, and that the judgment upon which the minister fixed the price was not well founded. That is my criticism, and I think it is a perfectly legitimate criticism. I have further been anxious to know what is to be the future course. We know that grain goes down in price as the supply comes in, and while $2.40 was the price fixed until the end of August, we are anxious to know what the price is going to be in September, if the same policy of a fixed price is to prevail.

It is understood that the United States has fixed the price for September at $2.20 a bushel. I am not altogether familiar with the matter, but my impression is that that is somewhat above the price at which September options have been sold. However, we are anxious to know what our Government is going to do, and what the fixed price in Canada is to be. I take it that the Government must now have reached some decision. This is the last day of the fixed price of $2.40 a bushel, and we are anxious to know what the price is going to be for September, or if there is going to be a fixed price, and whether it is going to be a minimum as well as a maximum price.

Mr. LALOR: Did the hon. gentleman make a statement in the House this session that the price of $2 per bushel was perfectly satisfactory to the farmer?

Mr. OLIVER: Oh, no, I never presumed to say what the farmers would be willing to take, but I was discussing some negotiations that were in progress between the Minister of Trade and Commerce and certain representatives of the farmers last fall when it was suggested, on the one hand, to fix the price at $1.30, and the farmers' representatives, as I understood, were willing so far as their influence could go, to close the transaction at $1.72. That is my recollection of the circumstances.

Mr. LALOR: I think, in answer to a question by myself, the hon. minister said the farmers of the West were perfectly satisfied, if they received $2.

Mr. WRIGHT: My hon. friend (Mr. Oliver) is trying to get away from the contradictory positions which he has assumed in this House in the last few weeks. He took the ground that this Government was refusing to take action in setting a fixed price for wheat, stating positively that the farmers of the West had practically got rid of all their wheat, and were no longer interested in the price.

Mr. OLIVER: Yes.

Mr. WRIGHT: He said it was in the hands of the big concerns. He immediately turns around and seizes the opportunity of bringing a little political grist to his mill, and he appears to think that the farmers of the West got that wheat back again in some miraculous way, that they were interested, to a very serious extent, in the action taken by the Government in setting a fixed price, and that they lost a large sum of money, I think he said $3,000,000. Did the farmers lose that?

Mr. OLIVER: No.

Mr. WRIGHT: Or was it the grain dealer?

Mr. OLIVER: I said that in large measure it was the grain dealers, and that the grain was largely out of the farmers' hands. At the same time, any farmers who held grain would suffer the loss just the same.

Sir GEORGE FOSTER: I was listening, and I understood the statement of the hon. gentleman from Edmonton (Mr. Oliver) to be as alleged by the hon. member for Haldimand (Mr. Lalor). I am quite sure he said—whether he meant it or not—that the farmers of the West had lost $3,000,000 by the fixation of the price at $2.40.

Mr. OLIVER: I would ask to have the statement corrected, because my memory is as I have stated. I may have said that the farmers had lost it, but I corrected that statement, and said it was largely the grain dealers, because the grain was largely out of the farmers' hands, but it was $3,000,000

lost to the business of the West, and we could not afford to lose that money in that way.

Sir GEORGE FOSTER: My hon. friend is so solicitous for the grain dealers that he would like to see them get $3 for the grain they held for speculative purposes, rather than $2.40, which would result in mulcting all the consumers in Canada in the increased cost of flour.

Mr. OLIVER: I hold no brief for the grain dealer, but I think he is entitled to the same consideration as any other business man. He is entitled to a fair profit on his business transactions, and to the money his property is worth, just the same as anybody else. My contention was that the board of grain supervisors fixed the price below what turned out to be the price of the world's demand, and to that extent we were losers, and the action was not well judged. With reference to the consumers of flour, until my hon. friend takes action to fix the price of flour, based on the price that he fixed for the wheat, he cannot say that the price of flour to the consumer is fixed by the price of wheat. It is fixed by the combine of the millers, not by the price of the wheat.

Mr. SCHAFFNER: I do not know about that $3,000,000. The hon. gentleman will have to have some means of knowing the amount of wheat that was sold during August, and I am not in a position to contradict what he says, or to question his statement that $3,000,000 were lost, but I have extreme doubt as to whether any such amount was lost. After considerable agitation by some of us—not all on one side of the House—we got free wheat. Wheat went over to the United States. Whatever that market may be worth, we got it anyway, and the Government saw fit to give us free wheat. After the United States became our ally by going into this war, it was up to this Government to see that the same price was fixed on this side as they were getting on the other side. Further than that, the Government had no right to fix the price of wheat without fixing the price of flour. There is nothing coming to the millers of this country. If there is any class of men in Canada that has done the farmer, and done the people of the country, it is the miller. I do not refer to the small miller, but to the large millers of this country. They have been absolutely soulless, in my opinion. If I had anything to do with the Government, I would see that the millers were brought to time, and I say that when the Government permits wheat to go to the United States free, they should not permit flour to go to that country.

Mr. KNOWLES: The discussion which has been going on might be continued indefinitely, but probably there is no time to go into it further. It seems to have now more or less closed itself. It is fortunate that one of our hon. friend's own brethren on the other side finally gave the quietus to this argument. I thought the hon. gentleman from Souris (Mr. Schaffner) was a little severe on the Government, now that the war is on, when he said in such bold language, that the Government failed to do its duty. It would have smacked very much of disloyalty if an hon. gentleman on this side of the House were to make such a remark about the good Tory Government guiding the affairs of this country, but there is such a preponderance of truth in what the hon. gentleman from Souris says that we will have to agree with the statement he makes, namely, that the Government failed to do its duty when it left that great loophole. It put a maximum price which this millers' trust had to pay for the wheat, the very most it can be called upon to pay, and it leaves the price the millers could demand for their flour without any limit whatever, and the Government forbids the export of our wheat to the United States to the south of us, and we presume deliberately and designedly, because this Government is supposed to be a gathering of very intelligent and clever statesmen. Therefore, designedly and deliberately, they give to the flour manufacturer the opportunity of selling his flour at the very highest price.

It cannot be argued that they were trying to protect the consumer; if they were trying to protect the consumer they would think of what the consumer would have to pay. But they did not give any consideration to what the consumer would have to pay; they put a maximum upon what their friends the millers would have to pay. It is a sad commentary upon almost the first step taken by the Government with a view to controlling prices that they should put a maximum upon what the farmer should get for his wheat, but enact no legislation, make no regulation, in respect of what the poor consumer would have to pay. This is so much in line with the chief characteristic of the legislation of this Government—benefits to privileged classes—that I am

forced to the belief that the member for Souris (Mr. Schaffner) is quite justified in the more or less savage attack that he has just made upon the Government.

With respect to this item of $75,000 for salaries, rents, wages and contingencies under the Canada Grain Act, I may point out that while we may be willing to give the last man and the last dollar for this war, I do not think that we can spare $200,000 extra for the Grain Commission unless some good reason is given for our doing so. I do not speak with finality in the matter, because the Government may be able to give some good reason for bringing down this vote. The reason may have been given in my absence; I have not heard it. To me this increase is a surprising one: Last year the vote was about $600,000, so that the increase, roughly speaking, amounts to 33⅓ per cent.

Sir GEORGE FOSTER: I did give a brief explanation of this item; my hon. friend was not here. The additional amount of $75,000 is to give the 400 odd employees of this branch of my department a reasonable increase of salary. Every department of Government has given similar increases, which have been voted by the House on the ground that the cost of living has gone up and that such increases are, therefore, justified.

Mr. KNOWLES: Does the increase in the expenditure under this item amount to 33⅓ per cent in one year, as I figured it?

Sir GEORGE FOSTER: The expenditure for 1915-16 was $659,000, and for 1916-17, $874,000. The main vote was $850,000. This amount of $75,000 added to the $850,000 makes a total of $925,000.

Mr. KNOWLES: In two or three years, then, the expenditure has gone up 33⅓ per cent?

Sir GEORGE FOSTER: Yes. If my hon. friend will go over the list of employees and their salaries, I think he will not come to the conclusion that they are extravagantly paid. The permanent officers are employed upon a fixed salary basis; they come in at a minimum and receive a yearly increase until a certain maximum is attained. That calls for a certain increase each year, and the increase for this year forms part of this vote. In addition, this year we have granted increases, not very high in any case, for the reasons which I have stated; and for that reasonable increase the remainder of the $75,000 is in most part required.

Mr. KNOWLES: I do not offer unfavourable criticism of my hon. friend's administration of the Grain Act. I believe in giving credit where credit is due; I think that the minister has kept the administration of the Grain Act, as I have observed it, fairly free from cheap party politics, especially in respect of the personnel of the staff of the commission.

During this session I introduced a Bill providing that the employees of Government elevators should have the same status as employees in any similar industry. The persons employed, say, by the Ogilvie people in their elevators have the advantages of the privileges and benefit of the Workmen's Compensation Act. Injuries are not infrequent in these different elevators; they have occurred in Moosejaw and Saskatoon, as my right hon. friend is aware. Simply because the elevators to which I refer are under the control of the Crown, the employee does not receive the benefit of the Workmen's Compensation Act. An employee in His Majesty's elevator, therefore, is in a less desirable position than an employee in an ordinary commercial elevator. That is not a desirable condition of affairs. The purpose of the Bill which I proposed—which, of course, will not be reached again this session—was that the Government should put itself in the same position with regard to claims made upon it under the Workmen's Compensation Act or otherwise as that in which any other employer—such as the Robin Hood mills, the Ogilvie Elevator, or the Lake of the Woods Elevator—finds himself under similar circumstances. It is undesirable that His Majesty's employees should be less favourably treated than employees of these other commercial institutions. A year ago or more the Government was paying an accident insurance company for carrying the risk of damages which these men might claim because of injuries received. I am informed that the Government paid the same premiums as were paid by any of the companies carrying on private enterprises of a similar character. If that be so; if the Government evades the risk—so far as workmen's compensation involves a risk—then the accident insurance company had a gold mine. Any one who is acquainted with the amount of damages paid by employers to employees, especially in Saskatchewan, knows that a substantially large part of them are paid because of the statutory compulsion involved in the Workmen's Compensation Act. The Ocean Accident & Guarantee Insurance Company was being paid for carrying that risk, the

same as if they were insuring the employees of the Ogilvie elevator or of any other commercial institution. But they were not carrying the risk, because His Majesty was not liable to the Workmen's Compensation Act—a provincial statue. There was an anomaly; the people's money was being paid out for carrying a risk which was not being carried, and of which the employees in the Government elevators were not in any way the beneficiaries. The employees in Government elevators should surely be as well treated as the employees of any ordinary corporation employing men for similar purposes.

In my Bill I asked that employees in Government elevators might have permission to sue in the ordinary courts, the same as was granted by a special amendment to the law in connection with the employees of the Intercolonial. I once acted for a man who had to bring his case to the Exchequer Court at Ottawa. He had to have the claim printed, and, for a poor workman in circumstances like that he was put to great expense and trouble. That is an added handicap and disability under which His Majesty's employees are.

Sir GEORGE FOSTER: On the main estimates, I was prepared to take up questions with reference to everything involved therein, but on these supplementary estimates, I find that I have not my papers which I had at the time the main estimates were going through. It is, of course, impossible for me to carry all these things in mind, and I am not in a position to discuss that question. My impressions of it are something like this, and we do not insure our employees.

Mr. KNOWLES: Not now. You certainly did a year ago.

Sir GEORGE FOSTER: About two years ago I think they were under the Employers' Liability Insurance and we did not insure them. We, however, discontinued that, because it is not the policy of the Government in any of the departments to insure their employees. Therefore, whatever may have been the case two or three years ago, the condition of things now is that we are not paying insurance companies for carrying risks on employees. We have established the Exchequer Court, and the raison d'etre of its establishment was that it should be a court that would be peculiarly fitted to take up all cases of claims against the Government on the part of its employees for damages or for any thing else. It is considered that that is the best policy to be pursued by a Government, You have a court which is specially instituted for that purpose and you have the rules of procedure thereof which are stated and uniform and not subject to provincial differences as would be the case if actions were brought under different provincial laws. The Department of Justice, to which I referred the matter, was very strongly of that opinion, and I receded from the position I had taken at first that we should put a general insurance policy over employees in Government elevators the same as is done in the case of employees in ordinary elevators. What is the reason we preferred to keep that policy which certainly has its advantage in the way of clearness and economy?

Mr. KNOWLES: The minister did not speak to the question as to whether it would not be better to put our employees in at least as good a position as employees of the Ogilvie Elevator company in connection with the Workmen's Compensation Act.

Sir GEORGE FOSTER: We have thouands of employees throughout the Dominion and they have always been placed upon a uniform basis; the Government have never been accused of dealing harshly with reference to claims for compensation which have arisen.

Mr. KNOWLES: The Department of Justice contests the case very keenly when the claimants go to litigation.

Sir GEORGE FOSTER: You have to contest the cases pretty keenly, but where you have a deserving case, the Government always recognizes it, as the votes from year to year show.

Mr. KNOWLES: Is there still hope that a sample market may be opened at Moosejaw? Some years ago, when the Canada Grain Act was going through Parliament, I urged very strongly that a sample market be placed at Moosejaw, and I gave reasons which I thought were good. Moosejaw is the railway centre of the country north and west, and is directly connected by rail with Minneapolis where there is a special opportunity for the sale of wheat through a sample market. Although I am a Moosejaw man, I think, on the merits of the case, that there is more ground for having a sample market at Moosejaw than at any other place. It is so situated that the wheat would "funnel" right through it to Minneapolis.

Sir GEORGE FOSTER: My hon. friend very rightly brings forward the claims of

Moosejaw, but there are others in the Northwest who bring forward the claims of other towns with equal strength. Sample markets have been put on at two points: Fort William and Winnipeg. It is not intended to open sample markets at any other points in the West this year. As things develop, it is quite probable that other points will from time to time be chosen. Wherever you have a sample market, you have to make certain provisions for sampling and inspection which involve demands upon labour and interference, to a certain extent, with transport. This year, on account of the scarcity of labour and the inadequacy of transport, we would not be justified in opening up additional sample markets. In establishing the sample market, we have not made either Winnipeg or Fort William an order point to the extent of necessitating an overlay of twenty-four or forty-eight hours. That has not been done, because to do it would have made an interference with transport this year which we did not feel, under the circumstances, it was proper for us to make.

Mr. OLIVER: Would the minister kindly make a short statement as to what special authority constitutes a sample market?

Sir GEORGE FOSTER: A sample market, as my hon. friend knows, is a market in which buyers and sellers congregate and make their bargains with each other for the purchase of wheat upon the inspection of the sample of the car which is to be sold. In the first place, you must have samples taken west of the point in which the sample market is established.

Mr. OLIVER: I am aware of the conditions of the sample market. What I wanted to know was what regulations or what changes of authority had been made in order to constitute a market.

Sir GEORGE FOSTER: The Act itself gives the authority for the constitution of the sample market. My hon. friend will find the provision in section 57 of the Canada Grain Act.

Mr. KNOWLES: The places are named in the Act.

Sir GEORGE FOSTER: No. On that authority the Grain Board acts, and the points are named at which sample markets may be established. More or less time is given for deciding upon the routing and destination points, and for the examination of the samples. The Government has no responsibility for the sample market, so far as the carrying on of its operations is concerned, and simply designates the order points, so to speak. The two points that have been designated so far are Fort William and Winnipeg.

Mr. OLIVER: The authority is the authority of the Board of Grain Commismissioners.

Sir GEORGE FOSTER: The basic authority is the Act. The Grain Commissioners make their recommendation, and by Order in Council the sample market is established. Then the Board of Grain Commissioners make rules and regulations which are embodied in an Order in Council. I am quite willing to lay on the Table the Orders in Council that have been passed, for the information of my hon. friend.

Mr. KNOWLES: Has the Board of Grain Supervisors been appointed for the duration of the war?

Sir GEORGE FOSTER: No stated period was mentioned in the Order of Council appointing them, which simply confers upon them certain powers which they are to exercise so long as the Order in Council remains in effect. The Order of Council can, of course, be eliminated by the same authority that called it into existence.

Mr. KNOWLES: Under the War Measures Act?

Sir GEORGE FOSTER: Yes.

Mr. KNOWLES: The operation of the Order in Council would automatically cease with the ending of the war?

Sir GEORGE FOSTER: Yes, or before.

Mr. OLIVER: Is there any connection between the Board of Grain Supervisors and the Grain Board?

Sir GEORGE FOSTER: No. They are entirely separate.

Mr. OLIVER: Is there a separate item for the expenses of the Board of Grain Supervisors?

Sir GEORGE FOSTER: As the board has been created on account of the war, its expenses are paid out of the War Appropriation fund.

Mr. OLIVER: I was under the impression that the Grain Supervisors are not salaried.

Sir GEORGE FOSTER: None of them are salaried. There is a paid secretary, but the supervisors receive simply their expenses.

Mr. OLIVER: How big a staff is employed?

Sir GEORGE FOSTER: I know of no staff that has been appointed, except the secretary and his stenographer.

Mr. OLIVER: Do they not receive any allowance for the time they spend on this work? One of the members I know is from Alberta. Any members of the board who live outside of Winnipeg would be put to considerable expense in attending the meetings.

Sir GEORGE FOSTER: They are quite willing to give their services as a contribution to the war.

Mr. OLIVER: There is this other point. If men of not unlimited means are serving without remuneration, it is just possible that there may not be quite the same readiness to respond to the needs of the service as if they were being paid by the country. I am not speaking on behalf of any one, but the idea occurred to me just at the moment.

Sir GEORGE FOSTER: I think there is a great deal to be said on the other side. These gentlemen were quite willing to give their services. If my hon. friend has followed the course of events in the United States, he must have observed that nine-tenths of the men on the great committees, composed of men of all sorts and conditions and representing a great many interests and activities, are giving their services as a contribution to the nation. That is a splendid illustration of the public spirit of the people of the United States. Their territory covers a great area, and these different committees have often to be summoned to Washington. They get their expenses, I imagine, but outside of that their services are voluntary.

Mr. OLIVER: I asked a question of the minister in regard to the proposed action of the Board of Grain Supervisors fixing the price of grain from August 1.

Sir GEORGE FOSTER: The Board of Grain Supervisors have been considering that question. In the action they had to take covering the month of August, the board were at a disadvantage, and our Food Controller has been at a disadvantage also in fixing the prices of different commodities, especially flour. Although there is close correlation between the United States and Canada, the United States had no authority to act, and that meant that for a period of one month—the month that has just passed

—we had either to do nothing but wait until the United States had received authority for the fixing of prices and had acted upon it, or do the best we could in fixing prices for that intervening month. But now that legislation has been passed authorizing the authorities in the United States to act, our Board of Grain Supervisors and our Food Controller are on more solid ground, and action may be expected from the Food Controller which could not have been taken with the expectation of good results, until co-operation with the United States had been provided for.

My hon. friend and some others have spoken of the foolishness and injustice of putting a maximum price on grain and not putting a maximum price on flour. If things were normal it would be inconsistent to fix the price of one and not of the other, but there was no certain knowledge of what conditions would be at the end of this intervening month, and we could not very well fix a price for flour made of grain that had been bought in the undetermined period. But now that the period is determined, now that the fixation of price in Canada will be for a period, as it is in the United States, the price of flour will be fixed having regard to the price of wheat.

Mr. OLIVER: Does the minister wish to get this item passed this afternoon?

Sir GEORGE FOSTER: I should like to. I shall be glad to give any information regarding this matter on any other item in the estimates.

Mr. OLIVER: I just wish to make this statement, so that I shall not be caught in cross-fire by my hon. friend from Muskoka in the future. In any fixing of the price of grain in Canada, now that the price is being fixed in the United States, I claim that there should always be recognition of the difference in value in grades of the same name as between Canadian and United States grain.

Sir GEORGE FOSTER: My hon. friend understands that from the 11th of August the new system of grading has been in effect in the United States.

At six o'clock the committee took recess.

After Recess.

Committee resumed at eight, Mr. Rainville in the Chair.

Civil Government—Department of Militia and Defence—To provide for an increase in salary to the Assistant Deputy Minister to $4,000,

$150; to provide for an increase in salary to the Director of Contracts to $4,000, $150; to provide for an increase in salary to the Assistant Director of Contracts to $2,800, $200; to provide for a clerkship in First Division, Subdivision A, for R. P. Brown, in lieu of one in First Division, Subdivision B, $2,800; to provide for four clerkships in Second Division, Subdivision B, at $1,300, $5,200—$8,500.

Mr. OLIVER: Are these statutory increases?

Sir EDWARD KEMP: There is no increase in the last two items. These officers are put into another class but at the same salary. There are increases in the first three items of $150 to the deputy minister, $150 to the director of contracts and $200 to the assistant director of contracts. The only way in which these officers could get increases was by putting the amounts in the Estimates.

Mr. OLIVER: I thought there was provision for statutory increases to all officials of the inside service. Are these outside of the statutory increases?

Sir EDWARD KEMP: That is the reason these slight increases are put in the Estimates, —they are over and above the statutory increases?

Mr. OLIVER: Have these officers received their statutory increases?

Sir EDWARD KEMP: Yes, they would be entitled to them; but $100 is all that the statutory increase amounts to. These officials have done very laborious and faithful work since the war began and it was thought, in the interest of the service, that we should give them some slight recognition in this way.

Militia and Defence—to cover expenditure by party of officers of the Canadian militia attending British, French and Swiss army manœuvres in 1913, as per detailed statement, Auditor General's Report, 1913-14, p. 65, $24,620.33.

Mr. OLIVER: This seems to me a rather remarkable item. Would the minister give an explanation of it?

Sir EDWARD KEMP: This is a formal matter more than anything else. The Auditor General asked that the item should be put in the Estimates because he thought it was not legal unless it was voted. The expenditure occurred in 1913-14. In that year and in the years following it was thoroughly discussed in the House.

Mr. OLIVER: Has the money been paid?

Sir EDWARD KEMP: Yes.

Mr. OLIVER: Supposing the House did not pass the item, what would happen? Would the fabric of the constitution dissolve?

Sir EDWARD KEMP: It would be rather an unfortunate situation, but the Auditor General would not consent to its going forward until it was passed. It is not an extraordinary item in any sense. Money appropriated for this purpose was spent for many years under the administration of Sir Frederick Borden.

Mr. OLIVER: When was the money paid?

Sir EDWARD KEMP: The money must have been advanced at the time. These items for years had been paid out of the vote for "annual drill." That has been the custom, I know, since this Administration came into power, and it was the custom under the previous Administration. Now, the Auditor General has insisted that the amount shall be included in the Estimates.

Mr. KYTE: If it is not an unusual item, why has it been held up by the Auditor General?

Sir EDWARD KEMP: The Auditor General addressed a letter to the deputy minister in which he said:

I would suggest that an item be placed in the Supplementary Estimates as directed by the Treasury Board, and also additional sum of $3,194.13 to cover the account for motor hire. Until this is done I shall have to refuse to pass certificate for the payment.

Mr. KYTE: Is that the final determination, I assume that there must have been a good deal of correspondence leading up to it between the Auditor General and the officials of the Militia Department.

Sir EDWARD KEMP: There is only one letter on record from the Auditor General, an extract from which I have read. The treasury board asks that it be intimated to the Auditor General that an item will be placed in the Estimates. This has been discussed in the House time and again, and I thought it was all over and done with. It occurred before the war.

Mr. KYTE: Why has this vote not passed Parliament long ago if, as the minister says, it is not an unusual item and similar expenditures were incurred by Sir Frederick Borden in the past? There must be some difference between the conditions under which this expenditure was incurred and the cases referred to by the minister.

Sir EDWARD KEMP: The only explanation I can give is that the Auditor General only brought it up on July 23, 1917.

Mr. KYTE: The fact that the expenditure was incurred in 1913 and was only proposed to be voted now, proves that there must have been a great deal of trouble in relation to the payment of the item.

Sir EDWARD KEMP: The only question raised by the Auditor General is that it has been a payment out of the vote to which I referred—"annual drill." The Auditor General referred it to the Treasury Board for a ruling and the Treasury Board orderd that it be placed in the Supplementary Estimates, to make it regular.

Mr. KYTE: The money voted by Parliament for annual drill could not have in contemplation this large amount for an entirely different purpose.

Sir EDWARD KEMP: It is part of the training for an officer, and has been taken out of the vote for "annual drill" for many years past.

Mr. OLIVER: How does the amount of this item compare with the amounts in previous years?

Sir EDWARD KEMP: The pay of each of the officers is the same, but more officers went on this trip.

Mr. OLIVER: What was the bulk sum, say, in 1911 or 1912?

Sir EDWARD KEMP: I find that the ex-Minister of Militia (Sir Sam Hughes), speaking in this House on May 7, 1914, said:

> Annually, for a number of years, my predecessor sent military officers to the old land. In 1907-8, seven officers and six non-commissioned officers were sent. They cost the country $26,772, or two and a half ordinary good town drill halls. In 1908-9, my predecessor sent six officers and six non-commissioned officers. Mark you, these were all of the permanent force and these moneys were voted by this Parliament, my right hon. friend the leader of the Opposition being then Prime Minister, supported by hon. gentlemen opposite. For these six officers and six non-commissioned officers the cost in 1908-9 was $32,601, or three drill halls and a half.

So that, after all, the sum is not exorbitant compared with the amounts paid in 1908 and 1909 for a similar purpose.

Mr. OLIVER: With all due respect to my hon. friend's predecessor, I would prefer to take the accounts of the department as given by the minister rather than the ex-minister's statement.

Sir EDWARD KEMP: I am satisfied my predecessor was speaking by the book in giving these items.

Mr. KYTE: Would the minister give a list of officers and the total entourage, and their expenses on the tour?

Sir EDWARD KEMP: The statement is as follows:

Aug., 1913, Secy. of State, passports	$ 56.00
Sept., 1913, High Commissioner's Expenditures:	
Col. J. Lyons-Biggar, advance travelling expenses manœuvres, 1913	299.99
Lt.-Col. H. J. Cowan, advance travelling expenses manœuvres, 1913	299.99
Lt.-Col. F. J. Clark, advance travelling expenses manœuvres, 1913	299.99
Lt.-Col. H. F. McLeod, advance travelling expenses, manœuvres, 1913	400.00
Lt.-Col. S. C. Mewburn, advance travelling expenses manœuvres, 1913	299.99
Lt.-Col. W. S. Buell, advance travelling expenses manœuvres, 1913	299.99
Lt.-Col. A. G. F. Macdonald, advance travelling expenses manœuvres, 1913	299.99
Lt.-Col. R. G. E. Leckie, advance travelling expenses manœuvres, 1913	299.99
Lt.-Col. M. S. Mercer, advance travelling expenses manœuvres, 1913	299.99
Lt.-Col. F. C. Jamieson, advance travelling expenses manœuvres, 1913	299.99
Lt.-Col. F. A. Howard, advance travelling expenses manœuvres, 1913	299.99
Lt.-Col. D. Watson, advance travelling expenses manœuvres, 1913	400.00
Lt.-Col. C. H. Rogers, advance travelling expenses manœuvres, 1913	400.00
Lt.-Col. J. T. Ostelle, advance travelling expenses manœuvres, 1913	400.00
Lt.-Col. E. S. Wigle, advance travelling expenses manœuvres, 1913	400.00
Major P. Davidson, advance travelling expenses manœuvres, 1913	400.00
Major S. G. Robertson, transportation expenses, Picton-Quebec	23.64
Major S. G. Robertson, advance travelling expenses manœuvres	400.00
Major L. Leduc, advance travelling expenses manœuvres	299.99
Lt. Bvt. Capt. W. H. Bell, advance travelling expenses manœuvres	299.99
Col. E. A. Cruikshank, advance travelling expenses manœuvres	299.99
Lt.-Col. F. J. Clark, transport	4.34
Lt.-Col. A. C. Macdonnell, advance, army manœuvres	400.00
Army and navy stores. Fares, officers, London-Boulogne	161.41
Col. J. Lyons-Biggar, account travelling expenses, officers attending manœuvres	1,216.66
Pay—officers attending manœuvres	3,984.00
Oct., 1913—High Commissioner's expenditure:	
Col. J. Lyons-Biggar, account Canadian officers return	486.67
Wolseley Tool & Motor Co., motor hire, officers attending manœuvres	6,904.00
Total	$ 19,936.85

Mr. KYTE: That is not the total amount, the total was $24,620.33.

Sir EDWARD KEMP: The total amount is made up as follows:

Pay of 16 officers of the Active Militia	$ 3,984.00
Subsistence 16 officers of the Active Militia Subsistence 5 officers of the Permt. Militia	8,399.87
Estimated steamship passages 17 officers	3,330.00
Motor hire of party in England and on continent	6,904.26
Other transport and travelling expenses	1,284.74
Incidental expenses disbursed by Col. Biggar	129.46
Subsistence and travelling expenses two private secretaries and two orderlies	588.00
	$24,620.33

Mr. KYTE: One of the items is for the pay of officers while attending the manœuvres. Were these officers not in the employ of the Militia Department?

Sir EDWARD KEMP: No, they were in the Militia Force, but not on the permanent staff. There were about twenty militia officers who were not on the pay roll.

Mr. KYTE: Is there any report in the Department of Militia as to the result of manœuvres that were performed?

Sir EDWARD KEMP: I have no doubt that there will be a report in the department in connection with this trip. I think the country has benefited greatly by the visit of these officers in Europe. They would be able to learn a good deal about warfare in the continental armies, a great advantage which they would not have if they had never made this trip. Some of these officers have been engaged actively at the front ,and some have been killed.

Mr. KYTE: One of the advantages is the valuable suggestion Miss McAdam received while attending these manœuvres, which resulted in a shovel being patented by the Militia Department, and a considerable expenditure of money involved in it. Is there any item of the minister's own expenses there, apart from the expenses of the other officers?

Sir EDWARD KEMP: There would be no details in respect of the minister's travelling expenses.

Mr. NESBITT: That would be charged to the general expenses of the militia, would it not?

Sir EDWARD KEMP: There is an item for contingencies, and I presume it would come under that, but there is no account of these travelling expenses. It is not a very large item.

Mr. KYTE: Would the minister be able to say what use was made of the large quantity of shovels which were purchased from the Midvale Steel Company, and sent across with the first contingent of the Canadian troops that went overseas in 1914?

Sir EDWARD KEMP: I am informed that the shovels to which the hon. member refers were sent to the Old Country. Whether they were sent to the front I am not prepared to say.

Mr. KYTE: Does the hon. minister know whether any use was made of them or not?

Sir EDWARD KEMP: I could not possibly answer that question.

Mr. KYTE: This being rather an unusual item, and as there is a desire on the part of a great many members of this House to get full particulars, I think it would be well to let the item stand over till further information has been obtained.

Sir EDWARD KEMP: The expenditure has been discussed in the House almost every year since it was made, and the total amount expended is not in excess of amounts spent by previous ministers. Under those circumstances, I hardly think it fair that the item should stand over. I have read what the ex-minister stated in regard to the amounts spent formerly, which were larger than the item before us.

Mr. KYTE: The item has been discussed in a general way from time to time, but, inasmuch as the vote of Parliament was not asked to defray the expenses incurred on this trip, the public would not have so much interest in it. But now that Parliament is asked to pass the vote I think that further discussion is very desirable. With all deference, I do not think the hon. minister has given a full explanation of the reasons why this item should be delayed for four years without Parliament being asked to make the vote. I think a good deal of correspondence must have passed between the Auditor General and the Department of Militia and Defence,

and I think some further explanation should be made as to why the item has been held over and an attempt made to get it through Parliament at the present time. It is more particularly desirable to hold the item over because the hon. gentleman (Sir Sam Hughes) who, when minister, incurred the expenditure is not now a member of the Government and not now in his seat. If he were here he would probably be in a position to give information which the hon. the Minister of Militia is not able to give this evening. I think it is very desirable that we should obtain more information, and, obtain it, if possible, from the ex-Minister of Militia himself.

Sir EDWARD KEMP: Hansard is full of explanations in regard to this particular matter. Question after question has been asked, and the item has been in the Estimates year in and year out.

Mr. KYTE: No estimate for this item.

Sir EDWARD KEMP: The ex-Minister of Militia has made an explanation in regard to it, and I think the hon. gentleman is raising more serious objection now than previously. The matter has been threshed out in the House, the Estimates have been passed each year, and questions have been asked. Questions were asked on February 16, 1914, and the matter has been the subject of many discussions, but no protest so severe in its character as the one my hon. friend now makes was ever made.

Mr. KYTE: We would like to know what was the exact expenditure incurred by the predecessor of the ex-Minister of Militia. The hon. minister has not that information. He has read a statement made in the House by the ex-Minister of Militia. While I am not questioning that explanation, I think that under the circumstances he should have the exact amounts from the Militia Department to compare with the expenditure incurred in 1914 for this particular service.

Sir EDWARD KEMP: There is nothing new about this matter. As I read a few moments ago, the expenditure in 1907-8 of a similar character was $26,772.

Mr. OLIVER: Is that for the two years?

Sir EDWARD KEMP: That is for the fiscal year 1907-8. In 1908-9 the expenditure was $32,601.

Mr. KYTE: It is quite possible the last item given by the hon. minister in 1907-8 includes items other than those included in the item we are asked to vote this evening. In order that a proper comparison may be made between this expenditure and the expenditure by Sir Frederick Borden for this service, we should know absolutely whether the items correspond or not.

Sir EDWARD KEMP: I do not know, I am sure, that the items would absolutely correspond. I am satisfied these officers were just as economical in the expenditure of money as the officers were on any previous trips. I think my hon. friend should permit the item to pass, because the money has been spent, and the item has passed the Treasury Board and has been placed in the Estimates. Moreover, the matter has been up every year since the occasion referred to. The pages of Hansard have been filled with the discussion of it, but no such severe criticism was made as has been made tonight.

Mr. KYTE: The fact that the pages of Hansard were covered with discussion of this item from year to year since 1913 goes to show that there was something extraordinary about it. If the item were the same as, or similar to the one placed in the Estimates by the late Sir Frederick Borden, Hansard would not be filled with criticism of the expenditure; there would not be repeated inquiries for information. The reason given by the minister for allowing the item to pass is a reason why it should not pass until we have more detailed information.

Mr. J. J. HUGHES: The minister has stated that certain military advantages were obtained by the presence of the officers at these manoeuvres in Switzerland in 1913. That may be correct, but certain disadvantages resulted from this expedition. The ex-Minister of Militia stated that it was at these manoeuvres that Miss McAdam conceived the idea of the shovel. This brought upon the country an expenditure of some $40,000, and, so far as we can learn, no advantage, military or otherwise, ever resulted. What became of these shovels is not very clear; the minister himself does not seem to know. That is another reason why the item should stand until the minister obtains further information.

Sir EDWARD KEMP: This item has nothing to do with the shovels.

Mr. J. J. HUGHES: The ex-minister stated that the shovel idea was the result of these manoeuvres; the two matters, therefore are very closely connected. It would

be advisable to get all the information possible in connection with this matter, because quite a number of people are interested in it. There is considerable mystery about it, and this item should stand until it is cleared up.

Mr. NESBITT: I have not seen any item in the Estimates providing for an increase in the pay of the soldiers. The conscription Bill is now in force, and there is no doubt that the pay received by soldiers is not in any sense equal to the pay of labourers employed in this country at the present time. When I spoke on the conscription Bill I expressed the opinion that the pay of the men should be increased. I know that many of the men are anxious to get an increase of pay; it need not be given them while they are in France or in England; it would be desirable that they have something more coming to them when they return to this country. I know that this would mean increasing the cost of the war, but it is an added expenditure that the public would be very willing to meet. I am quite sure that there would be no objection on the part of the people if the men were paid at least fifty cents a day more than they are getting now. The average labourer throughout the country is getting from $2.50 to $3 a day. Although the price of munitions has been very materially cut down, I understand that in some of the munition factories the men are earning from $3 to $8 a day. The last time I was home I heard about a man who was getting $8 a day. Ordinary mechanics in factories get a great deal more in proportion than the men who are asked to risk their lives for our country. I appreciate the fact that the men do not go for the purpose of drawing pay; they enlist for the purpose of defending their country. At the same time, there is no reason why the country that they are defending should not pay them more than they are getting now. I hope that the minister will take this matter into consideration, and that if he does decide to increase the pay, he will make the provision retroactive in respect of those men who have enlisted since the outbreak of war. The result would be that they would get a good start when they came back to Canada—it would not be necessary to pay the money to them while they are in Europe—and they would not be depending upon the public for assistance. They do get three months' pay when they are discharged, but that is not anything in proportion to what they could save if their pay was increased at least fifty cents a day.

Mr. CROTHERS: Would my hon. friend have every soldier paid the same salary that he was receiving when he enlisted?

Mr. NESBITT: No.

Mr. CROTHERS: Why not?

Mr. NESBITT: I would have every soldier paid the same amount.

Mr. CROTHERS: That would not be fair; some men might have been earning more before they enlisted.

Mr. NESBITT: That would be perfectly fair. It does not matter what the men were earning before they enlisted; after they join the colours they are all in the same service.

Mr. CROTHERS: It is just as fair now as it would be that way.

Mr. NESBITT: I think not. The men are being paid for what they are doing now. A private is a private, a corporal a corporal; one man is supposed, so far as the defence of the country is concerned, to be as valuable as another. I think their pay ought to be equal.

Mr. CROTHERS: They are all paid the same now.

Mr. NESBITT: Yes, but I want their pay increased.

Mr. HANNA: How much?

Mr. NESBITT: Fifty cents a day.

Sir EDWARD KEMP: Although the Canadian soldier is paid at a higher rate than the soldiers with whom he is fighting side by side, no one would say that he can possibly be paid in money for the services that he is rendering to his country.

Mr. NESBITT: You could not pay for his services in money.

Sir EDWARD KEMP: No. The service which the Canadian soldier is rendering to his country by fighting in France is beyond payment. The ordinary private soldier's income, with his pay of $1.10 a day, taking into consideration a certain amount per month for clothing and subsistence, and, if he is a married man, taking into consideration, also, his separation allowance and the amount given by the Patriotic Fund to his family if his family needs it, comes to about $95 per month.

Mr. NESBITT: The amount of the income depends upon the number of children a man has. He would have to have a number of children for his income to reach that amount.

Sir EDWARD KEMP: Not many. It has been estimated in the press that the average income was about $100 per month, but, roughly speaking, it would be about $95 per month. These soldiers are the very flower of the country, and it is heartrending to think that so many of them are being killed or wounded and that the country is going through such a severe trial in these terrible losses. The single man is obliged to leave half of his pay with the Minister of Finance and he receives interest upon it. That accumulates while he is away, and a good many million dollars are accumulating in that manner. The private soldier who is married assigns $15 to his wife or his family.

Mr. NESBITT: The married man receives a separation allowance of $20, which is in excess of what the single man gets, is it not?

Sir EDWARD KEMP: Yes.

Mr. NESBITT: The allowance for subsistence and clothing would be equal to about $1 per day. That is why I say that the unmarried soldier should be paid $1.50 per day and field allowance of ten cents, or $1.60 per day. That, with subsistence and clothing, would amount to $2.60 per day. The married man receives a separation allowance of $20 per month. As a country, we have nothing whatever to do with the Patriotic Fund. That fund is supported by voluntary contributions, and the married soldier should not have to receive assistance from a voluntary fund. The separation allowance should be increased, and the people should not be called upon to give these voluntary contributions, because those contributions are not equally distributed. Some men pay a great deal more in proportion to their wealth than others do. In the county from which I come, the county council and the towns that are separated from the county assess so many mills on the dollar and pay over the amount collected to the Patriotic Fund, so that in that case the contributions are equally distributed. The income of the married man, counting his pay, clothing, subsistence, separation allowance and Patriotic Fund contribution may come to $95 per month. I have not figured it up, but the amount depends upon what he gets from the Patriotic Fund. If he is a married man without children, he gets less from the Patriotic Fund than if he has children, and if he has a number of children, the amount he receives from the Patriotic Fund is fairly large. The mere fact that, even if we paid the soldier $100 a day, we could not compensate him for risking his life for his country does not affect the principle. We should pay him a sufficient amount so that he will be able to have something saved up by the time he returns. The minister says that a certain amount is held back on which interest is paid. That interest, however, does not mount up very quickly. I have had occasion to take up cases of back pay of men who have been killed, and the paymaster general has been very courteous in looking after those matters, but the back pay coming to the relatives of those men has never amounted to more than $85 or $86, and that is not very much. If the soldier were paid fifty cents a day allowance while he was in Europe and a dollar a day held back, he would have quite an amount coming to him when he returned to this country, and I am pleased to say that the bulk of our troops will return. In that way they will have something to start with when they come home and will be able to retain their pride in themselves. There is no reason why the country cannot pay that amount, and I believe the country would be perfectly willing to pay it.

Mr. OLIVER: While I do not know that it is quite in order to discuss this question and I will not delay the House for any time on it, I just wish to repeat what I have said so often before in this House, that the time has come when the separation allowance to the dependents of our soldiers should be increased so that there would not be any necessity of the the work of the Patriotic Fund as is the case at present. We know that the cost of living has increased since the beginning of the war. We have raised the salaries of our employees at Ottawa, and in many cases working men have had their wages increased, and justly so, because of the increase in the cost of living. We are, however, paying the same separation allowance to-day as we did when the war began, and we are placing the same dependence upon the Patriotic Fund as we did then. The time has come when we should decide on an increase in the allowance to our soldiers' dependents that will meet the increased cost of living and what is now drawn by them regularly from the Patriotic Fund.

Mr. KYTE: There appears to be some laxity in the militia office in London with respect to the assignments of soldiers' pay. There have come to my notice several cases in which men who have enlisted f[illegible] over-

seas services have, shortly after their arrival in France, written their parents at home that they have assigned their pay, but no payments have been made to those in whose favour the assignments have been drawn. I took the matter up with the officials of the department, and I am bound to say that they manifested every courtesy and determination to investigate thoroughly all those causes of complaint. In every case I find that the difficulty does not exist in the Militia Department here, but, in some way or another, the trouble is on the other side. In many cases months and months have elapsed without a single dollar being paid to the parents of those men. After taking the matter up with the department, I have been able to get the assigned pay to begin from the time I made the complaint, but the back pay which has been assigned has never been handed over to the parents. There must, therefore, be some laxity, no doubt due to the large quantity of business of that character which has to be dealt with.

It is a great disappointment to the parents of these men that the pay which has been assigned to them by their sons overseas is not being regularly paid. In cases where it is ultimately discovered that there was an assignment, there is no reason why the pay that was withheld should not be paid from the date from which the assignment was made effective. I desire to call the minister's attention to this, because cases of this kind are very numerous and are becoming more numerous every day. If there is any way of getting a better line on that particular branch of the work of the Militia Department in London it is eminently desirable that steps should be taken without delay.

Sir EDWARD KEMP: Is my hon. friend speaking of the unmarried or the married man?

Mr. KYTE: The unmarried.

Sir EDWARD KEMP: The unmarried man is not obliged to assign his pay, and very frequently does not do so until his regimental paymaster perhaps draws his attention to some inquiries that have been made from this side. Cases such as my hon. friend has mentioned will always occur, of course, but it must be borne in mind that they are very few in number compared with the thousands of cases that are handled without any hitch at all. The complaints are certainly not as numerous proportionately as they have been in the past.

Mr. J. J. HUGHES: A good many complaints have come to myself, and so far as my experience goes, I wish to bear testimony to the fact that all the officials in the Department of Militia and Defence are very anxious to do the best they can, and that has been particularly noticeable during the last five or six months. One cannot help remarking on the courtesy and the desire on the part of the minister and his officers to have all these cases straightened out.

To cover hire of motor cars for Major General Hughes, then Minister of Militia and Defence, during his visits to England and France in 1912, 1913 and 1915, $3,194.13.

Mr. KYTE: There was an item for $6,000 covering the cost of motor cars for the minister and those associated with him in his trip to Europe in 1913. How is it necessary to have another item of this amount to cover the same expenditure?

Sir EDWARD KEMP: This item is to cover a bill which has been certified as correct, which has been accumulating with the Wolseley Motor Car Company during the years 1912, 1913 and 1915.

Mr. OLIVER: What was wrong with 1914?

Mr. CARVELL: Has this anything to do with that famous junketing trip? Is the minister quite sure that he is not mixing up some motor cars in Ottawa with some on the other side? Any one who lives in Ottawa and watches the string of beautiful motor cars that drive up to the Chateau and the well-groomed gentlemen, and sometimes ladies, who get into them, all driven by men in uniform, might be pardoned for the suspicion that part of this amount should be charged to Ottawa instead of to the other side. But possibly the item is all right.

Monuments on battlefields—Grant to Women's Wentworth Historical Society towards the preservation of the monuments at Stoney Creek, $125.

Mr. COPP: I wish to direct the minister's attention for a moment to some battlefields in different portions of the province of New Brunswick. Some years ago the question of preserving and taking care of the old forts in the province of New Brunswick and elsewhere in the Dominion was brought up in the House. My hon. friend from Cumberland (Mr. Rhodes) and the late Mr. Emmerson succeeded in getting some expenditure made on Fort Beausejour, and having the premises fenced in. I have been recently informed by a letter from the Daughters of

9 p.m.

the Empire that the fort at Annapolis has been taken over by the Parks Branch, and also a fort at St. John.

Sir EDWARD KEMP: Who made the expenditure my hon. friend has referred to?

Mr. COPP: Probably my hon. friend from Cumberland could say. I understand that it is under the control of the Militia Department. I think it is well that these old battlegrounds which are falling into decay should be taken care of by the Government and preserved as a memorial for future generations. I would ask the minister if something cannot be done to preserve these old forts in New Brunswick and elsewhere.

Mr. ROCHE: I might explain that the Parks Branch is in the Interior Department. An arrangement was entered into comparatively recently under which these particular properties are being converted into Dominion national parks. It is our intention to conserve them for that purpose.

Mr. COPP: Is Fort Beausejour under consideration for this purpose?

Mr. ROCHE: The Annapolis one was taken over, but I cannot say as to the other.

Mr. COPP: I understand that Fort Annapolis was transferred from the Militia Department to the Interior Department?

Mr. ROCHE: Yes.

Gratuity to the widow of the late F. G. Anson, employed at the Royal Military College, $616.46.

Mr. KYTE: Some weeks ago a return was brought down, on the motion of the hon. member for Richmond and Wolfe (Mr. Tobin), giving the number and salaries, amounting to some $400,000 a year, of those employed on the headquarters staff in Military District No. 6, Halifax. Has that number been reduced or increased since that return was brought down?

Sir EDWARD KEMP: Some changes have been made, although not very important ones. Changes are always taking place in regard to such an important district—No. 6 Military District includes New Brunswick, Nova Scotia and Prince Edward Island. I had the matter investigated recently by one of our best officers. I have not had a full report from him of his views in reference to the matter, but in a conversation with him he told me that, while there were some officers whose services could be dispensed with, there were places where more officers are needed. I am not in a position to tell this House about all the military operations that are going on, particularly on the coast of Nova Scotia. I will go so far as to say that, confidentially, I shall be glad to discuss the matter with, and to explain the exact situation to, any member of the House. The Maritime Provinces comprise the district which is nearest to the seat of the war. We are carrying on all kinds of defences, not only in Halifax, but in other places around the coast, and doing many things which we did not have to do even a year or two ago. While the list to which my hon. friend refers is a long one, yet I want to assure him that the officer of whom I spoke tells me that these officers are necessary.

Mr. KYTE: Then there has been no material reduction in the expenditure of the headquarters staff in that district?

Sir EDWARD KEMP: There has been no material reduction. The matter is under consideration. Whether it may be reduced or not I do not know. If it can be reduced it will be, but I doubt very much whether it will be advisable to reduce it.

Mr. CARVELL: I realize that the minister is not responsible for the condition of affairs, and I would not expect him to say too much in condemnation. But surely the business ability of the minister must teach him that there is a condition with regard to the general staff that ought not to exist. I went over that return and I found 176 officers.

Sir EDWARD KEMP: Does that include nurses?

Mr. CARVELL: No. The nurses were outside of that; there were 57 nurses. I have nothing to say about that; wounded and sick men have to be looked after; I assume that the nurses are properly employed, and therefore I make no comment about that. One thing I did admire was the ingenuity of the officers down there in creating the offices which you will observe by reading the list. There were all sorts of initials before and after the names, initials that I do not know the meaning of. I have been out of the militia for about ten years, but I used to know something about militia matters and I know what all the ordinary officers were, but the initials before and after these names were like Greek to me. One thing that impressed me was the enormous number of medical men at Halifax on the list. I do not believe there is a Conservative doctor in Halifax

who is not on the pay roll. Now, I come to St. John, which I do know something about. It is true that in the winter time soldiers come through in quite large numbers and that there have been a few regiments permanently in New Brunswick since the war began, but the number of gentlemen travelling around that city in uniform is legion.

Sir EDWARD KEMP: Are they members of the headquarters staff?

Mr. CARVELL: Yes, they have the red tabs. I know the difference between a staff officer and an ordinary army or fighting officer. The hotels are filled with them. You meet them travelling on railway trains wherever you go. Sometimes it is impossible to get accommodation because it has all been taken up before hand. In addition to the staff there are the names of numbers of gentlemen who are rendering no military service in the Maritime Provinces, but who are drawing down big salaries. I am speaking of men who are outside of the staff entirely, because I know whether they belong to the staff or not. I saw them. I know some of these people in New Brunswick, and I know a lot of gentlemen who have been drawing pay for three years who have rendered no service to the country. The number of men who are paid by the Militia Department but not employed in any useful serivce is nothing short of a scandal. I cannot believe, notwithstanding the statement the minister makes—and I know he makes it in good faith—that it is necessary to have 176 officers on the general staff to look after the small amount of business there must be in the Maritime Provinces. My hon. friend speaks of the defences along the coast, and things of that kind. These are all necessary, and we do not expect the minister to give any detailed account of them. But the gentlemen on this staff are not looking after the military defences on the coast of Nova Scotia. These are fellows who are drawing pay and doing nothing for it. The man who is performing service is all right; nobody objects to that. It is necessary to have the defences of the country looked after. But when anybody tells me that it is necessary to have 176 officers, I am bound to say that I cannot accept any such statement. In addition to the salaries paid to these officers, their wives are drawing big separation allowances, and in addition to that you have a whole army of stenographers, batmen, footmen, messengers, and all that sort of thing. I do not think I am extravagant when I say that $600,000 a year will not pay the expenses of the general staff in the Maritime Provinces. The list which was laid on the table of the House a few weeks ago totals up to $398,000—practically $400,000. I figured it at that including the nursing sisters. I think I am perfectly justified in adding $200,000 on account of separation allowances and the army of unemployed which is attached to the general staff in the Maritime Provinces. We do look to the minister as a business man to see that this condition of affairs is remedied. We do not believe it is necessary. While I realize that there must be some staff officers, as far as the office work in New Brunswick is concerned I could find twenty-five men in that province who, with two first-class clerks and four stenographers could do all the business. There cannot be any great amount of work to be done. It is not possible, because the men are not there. There is some correspondence, I will admit, but three or four good stenographers and a couple of first-class clerks will turn out a lot of that work in a day. The country is full of these officers. I do feel that, with the enormous financial burden that this country has incurred and with a condition of affairs which I would not dare to speak of in Parliament in connection with military matters, there can be no justification for this expenditure.

Munitions plants, I am told, have been closed down on forty-eight hours notice. It seems to me a most horrible thing, with this financial condition staring us in the face, that $600,000 or $700,000 a year is being expended on what you might call the overhead expenses of looking after military matters in the Maritime Provinces. The services of three-quarters of these men could be dispensed with. The minister shakes his head? I say I live in that country, and I have some idea of what is going on. I tell him that, outside of the staff, there are officers by the dozen in the Maritime Provinces who have managed to get shifted from one unit to another, who have never gone across the water, who never intend to go if they can help it, and who are simply a burden upon the country. These are the men who ought to be conscripted first in Canada, not as officers, but as privates in the rear rank. I can give the minister the names, although I do not want to speak about them publicly. What is true in the Maritime Provinces is true of Canada as a whole. There is a whole army of these unemployed officers throughout this country and every member in this House

knows it; men who have managed in some way to work themselves into the army, men who draw down pay and whose wives draw down separation allowance, but who render no service and never intend to; and who, when their unit goes overseas, always manage to get transferred to another unit. I can tell of some men who have been transferred three times, and then, when they could not put off going overseas any longer, they got into the Forestry Battalion. And so it goes. There is work to be done in this country; I have always believed that the present minister had the business ability to do it, and I am pointing out some of the conditions that exist in my part of the country. I hope he will apply his business principles to these matters and see if he cannot clean up some of these conditions that are disgracing the country in army matters in that part of Canada.

Mr. KYTE: I desire to read an editorial from the Quebec Chronicle, a newspaper owned and edited until the outbreak of the war, by General Watson who has been at the front for some time. This newspaper is strongly in sympathy with the present Administration:

A shameful thing.

An unusually large number of officers returned from England to Quebec yesterday. While some of them were casualties, there is no doubt that very many of them were men who would not revert or sacrifice a grade in rank in order to go to the front. Quite a few of them have been kept in England for many months at Government expense. In fact, we believe that the cost of paying officers that never intended to go to the front has been appalling and we are convinced that the matter should be aired in Parliament at an early date. These are the first men that conscription should reach out and gather in.

That editorial is written with knowledge on the part of the person who wrote it. If such comments appeared in newspapers unfriendly to the Government, they might be passed over without any remark; but when a newspaper of the standing and of the well-known sympathy with the Government of the Quebec Chronicle makes a statement of that kind, it gives great cause to the people of this country to look well into militia matters as they are being carried on by the present Administration. This editorial contains a charge which it is necessary for the minister to refute at the earliest possible moment, by giving actual figures as to the number of officers enlisted in Canada since the war broke out for overseas service and who have been kept in England under large pay and living allowance up to the present time, but who absolutely refuse to go to the continent because they are not willing to revert to a lower rank.

Referring to the headquarters staff at Halifax, the hon. member for Carleton (Mr. Carvell) has spoken of the large number of medical men in the city of Halifax who are drawing large salaries and apparently not giving very much time to the work for which they were appointed. There are medical men in Halifax who attend to their general practice day by day, at the same time drawing large sums in salaries which might be saved to this country if there was a desire on the part of the Minister of Militia and Defence to economize in respect to that expenditure. Some weeks ago I was asked the following question to which the Minister of Militia replied:

DR. B. A. LEBLANC.

Mr. Kyte:

1. What is the amount of pay and allowance and monthly separation allowance paid to Dr. B. A. Leblanc, Arichat, Richmond County, Nova Scotia, since his appointment with the Army Medical Service Corps?

2. What is his rank, and date of appointment?

Sir Edward Kemp:

1. Pay and allowances, $624.50. No separation allowance paid.

2. This officer was appointed a lieutenant (supernumerary) in the Army Medical Corps on 28th February, 1917, and a captain in the Canadian Expeditionary Force on the 30th June, 1917.

Dr. Leblanc is the Conservative member for the county of Richmond in the Provincial Legislature. He obtained a commission while the Legislature was sitting in Halifax and was appointed supernumerary lieutenant in the Army Medical Corps, and captain in the Canadian Expeditionary Force, on the 30th of June. In the return brought down some weeks ago to which reference has been made, Dr. Leblanc's name appears as Captain Leblanc employed as medical officer, field hospital, at a salary of $1,916. He was in Halifax since his appointment and remained there, and it was stated that he was going overseas. As a matter of fact, he did attempt to go overseas a few weeks ago. He went on board a transport for the purpose of going to England to perform such services in the Canadian Expeditionary Force as might be allotted to him, but he states that after he was on board the transport he received a telegram from Ottawa not to go overseas but to remain in Halifax. The telegram arrived about the time that the resolution to extend the life of Parliament was considered in this House and the Prime Minister announced that, for reasons which he then

stated, no further effort to have the term extended would be made, but an election would be held in due course. After Dr. Leblanc enlisted for overseas service and attained the rank of captain at a salary of $1,916, certainly it would be necessary for him to go overseas in order to perform the duties assigned to him. He has not gone over. It is well known, it is common gossip among his friends, that he received a telegram from Ottawa not to go overseas because his services would be required in the coming election. That is not an isolated case; the country is full of political military officers who are drawing large pay and who are kept upon the ground in order that their services may be available when the election comes. The same condition of affairs prevailed in Nova Scotia in 1916 when the provincial election was on. Several military officers were given commissions and at the same time given nominations as Conservative candidates. These men, instead of going overseas or remaining in training for the work to which they were to be assigned, became candidates on behalf of the Conservative party and, while officers and drawing pay, they devoted their time to political work. It is also well known that at certain polls, where military officers were Conservative candidates, electors who have enlisted as privates received telegrams from the commanding officers telling them that they must vote for these particular officers. We are going to have an election in a short time, and there is every indication that the whole machinery of the Militia Department, so far as Nova Scotia is concerned, is to be employed, not to win the war, but to win the election for the Government. I am not making too strong a statement when I say that. I say that the facts connected with the appointment of Captain B. A. LeBlanc, member for the county of Richmond, and the instructions he received not to go overseas after he got on board ship, are proof positive that his services are to be enlisted for political purposes, instead of for the relief of the sick soldiers at the front. He never did any work. While he was a member of the legislature he obtained his commission and uniform, and since then he has been under pay, and his name appears in this return at the salary of $1,916.

Mr. PROULX: Is he receiving his pay now?

Mr. KYTE: Yes, and if I can judge from the past, he will continue to draw his pay while acting for the Conservative party in the constituency of Richmond.

Mr. A. K. MACLEAN: I was very much surprised at seeing the very large amount of money necessary for the upkeep of the military establishment of Military District No. 6. A layman cannot very well criticise that return, not having the necessary military knowledge. But when you realize that it means $400,000 for the administration of Military District No. 6, I submit that it becomes quite a serious question, and, as the member for Carleton (Mr. Carvell) has suggested, that probably does not include, by any means, the entire cost of administration of that district. When hon. gentlemen on this side of the House suggest that many of these appointments are unnecessary and political, the minister may say that we have no evidence. To a large extent that may be true, but I think the burden is upon the Department of Militia and Defence to satisfy the country that there is any necessity for such an expensive military establishment in the Maritime Provinces. I tell the minister now that, if he would make an honest effort to remove politics from the administration of that military district, he would at once get rid of a large number of men. It is a fact that in the city of Halifax many civilians have more to do with the running of some military matters than the officers who are supposed to do the work. The officers in charge of the military hospitals in that city are not being treated properly by the department, because the department permits the local politicians to interfere with their work. I desire to ask the minister to remember my remarks particularly in connection with military hospital matters, and to make some investigation. I would like him to make sure that the officers in charge of the hospitals are really and truly in command. They are being interfered with daily by politicians; they are doing things every day which they do not want to do. They are employing help frequently for which they have no need, but they are obliged to do it, owing to the demands made by local politicians.

Sir EDWARD KEMP: Does the hon. gentleman refer to the hospitals under the Military Hospitals Commission?

Mr. A. K. MACLEAN: No, I refer to the Militia and Defence hospitals. The minister should instruct his officers that they are supreme in their positions, and that

they need take no instructions or advice from anybody except the heads of the department at Ottawa. If this were done I am sure he should have very much better administration. We would not require to employ so many men, nor would the minister require to spend as much money as he is now spending for these purposes. It is very difficult for one to tell whether all the doctors now employed at Halifax are necessary. I doubt very much if they are. If all these doctors are necessary, then I think the very best medical men available should be employed. I think the minister will agree with me in that respect. If the Militia Department at certain points in Canada must employ the services of doctors in connection with sick or returned soldiers they should employ only the leaders in the profession. I am not so sure that in Halifax it is necessary to employ doctors and pay them. I have an idea that if the medical profession in Halifax were asked to give their services to the military hospitals free of charge they would do so. That is the practice there, in so far as other hospitals are concerned, and I think is true of every city in Canada. Ordinarily medical men are willing to give their services free to hospitals, and I think that if the leaders of the medical profession in Nova Scotia were asked to give their services to the military hospitals they would do so, and would ask no remuneration. We ask men to go across and fight in France. We do not attempt to pay them at rates at all commensurate with the services rendered, and now we propose conscripting men. Why not conscript medical services and compel the doctors to give their services at nominal rates to the military hospitals? According to this return, I find that a number of recruiting officers in the Maritime Provinces are still employed. It seems to me altogether too many are employed for this purpose. I do not think they can do very much successful work at the present time and, therefore, I think the Minister might well ascertain if a number of them could not be eliminated. I observe that a number are employed as recruiting officers in Prince Edward Island. I think there are hardly any recruits being obtained these days in Prince Edward Island, and it looks as if these men were continued in their positions just because they obtained those positions when there was really some work to do. I notice on this list the name of an officer, Major Purney. I understand that he is doing recruiting work in the New England States. Is that correct?

Sir EDWARD KEMP: I think so; he is somewhere in the United States.

Mr. A. K. MACLEAN: He might as well go to any other country to search for recruits—not because no recruits are available in the New England States, but because he is not the right kind of man to send there to do that work.

Sir EDWARD KEMP: Has he not been at the front?

Mr. A. K. MACLEAN: Yes, but I say that he is not qualified for this particular work in the New England States. I have in mind a gentleman who has been in the service in Canada—he has never been overseas—a Nova Scotian by birth, who resided in the New England States for twenty or twenty-five years. He knows that country pretty nearly as well as any man living. He has from time to time offered his services to the department; he has informed me that he could get not many hundred, but several thousand recruits in the New England States—men who would rather join Canadian regiments than be drafted into the United States army. This gentleman, however, has been unable to get any satisfaction from the department. I have nothing against Major Purney, but he does not know the New England States; he has not the qualifications for recruiting work there. Even though a man has been overseas and has done good work there it does not follow that upon his return he should be given a military position in this country. I have no doubt that the list of men in Military Division No. 6 could be very considerably reduced. I hope the minister will not be satisfied with the report that he has recently received from the Maritime Provinces with respect to the number of men employed there.

I wish to bring to the attention of the minister also a matter in respect of which criticism is openly made by many people in Halifax, regardless of political considerations. I refer to the number of batmen who attend the officers there. I do not present this complaint through any personal knowledge of the matter, but a great many people in Halifax during the past two or three years have complained persistently about it. You see these batmen caring for officers' gardens, officers' horses, carriages and automobiles—having apparently little else to do. When people see a great number of men employed in this way, nat-

urally they become very critical, particularly in view of the fact that our war expenditure is so exceedingly heavy. The expenditures in Military District No. 6 will bear a very thorough investigation. I think that the minister will find upon examination that a great many men could be eliminated from the list and the expenditure materially reduced.

Mr. VERVILLE: I wish to call the attention of the minister to certain things that have happened at public meetings in Winnipeg, Sydney and Toronto. I would like the minister to tell the committee what attitude soldiers are supposed to adopt in respect to their attendance at public meetings. I quote the following paragraph from the King's Regulations:

> An officer or soldier is forbidden to institute or take part in any meetings, demonstrations, or processions, for party or political purposes, in barracks, quarters, camps, or their vicinity. Under no circumstances whatever will he attend such meetings, wherever held, in uniform.

If these regulations are not applicable to the soldier who has returned from the front, he may lose that respect on the part of the people that he has justly acquired by his services on the other side. Any one who wishes to command respect must himself respect others. We know what a group of men are likely to do when they meet together; we know what they did in Toronto —some officers themselves let them do it. I am very much afraid that sometime the people will bring back to their senses men who act in that way. I bring this matter up because I am desirous that soldiers who return from the other side shall be respected—and surely they cannot be respected if they themselves do not respect the freedom of this country. In Winnipeg a meeting was held; whether it was conscriptionist or anti-conscriptionist makes no difference. A large group of soldiers broke up the meeting—my hon. friend knows about it as well as I do. In Toronto they even went into the Labour Temple and broke almost everything—my hon. friend knows about that, too. As to the occurrence in Sydney, I am credibly informed—I can prove it—that politicians in Sydney incited these poor soldiers to do what they did. I really believe that if the soldiers were left alone, they would not do anything of this kind; but if they are incited by politicians, as they were in Sydney, one cannot tell what may happen.

In Halifax there was no trouble because there was no meeting, but it was understood in that city that if they had decided to hold a meeting they would be holding it regardless of the people who were there. My hon. friend can see the danger of that as well as I can. One man is, in certain circumstances, as good as another, and there is liable to be trouble. We want to avoid that in this country. The minister should give orders that the King's regulations must be observed, and if soldiers are not satisfied with any speech they may hear, all they have to do is to walk away. That is what we do ourselves: If we do not like the speech of some speaker, we walk away. This is a free country. In a very short time we shall engage in a political battle, and it would not be safe for soldiers to interrupt a meeting. If they were to do that, it would not be respectable for the country, for the soldiers or for the citizens. If we are going to engage in a political fight, the minister should ask the soldiers to abide by the King's regulations. Far be it from me to ask the minister to prevent soldiers from attending meetings. They are free citizens and they have a perfect right to attend meetings, but the minister should ask them to keep the peace. The minister knows that sometimes any one in uniform in a big meeting is like a red flag before a bull. It is often the case that, if a police officer is around, there is trouble. I do not believe there is one soldier who would go one step to disturb the peace unless he was incited by some politician behind him and for reasons that my hon. friend can imagine, to attack a man like myself. I am asking the minister what he intends to do. The matter was raised in this House, I believe by my hon. friend from Parry Sound (Mr. Arthurs) who asked if it was the intention to give to the soldiers on this side of the water the same orders as were given to our soldiers on the other side. From the experience we have had lately, it seems that matters are going to get worse and worse, and if it is possible to avoid that, it would be better for the country, better for the soldier and better for the citizen at large.

Mr. ARTHURS: The hon. gentleman (Mr. Verville) said that I drew the attention of the Government some time ago to the regulations imposed upon soldiers overseas in regard to their attending public meetings in uniform. Soldiers in uniform in Canada are largely men who have returned from the front wounded and who, on account of the wounds they have received on the battlefield, are of no further service to their country at the front. Those men are in uniform, not be-

cause they want to be in uniform, but because they must remain in uniform until their pensions are adjusted. They have all the rights of citizenship; they should not be debarred from attending any meeting, and it is in very poor taste for any hon. member to say in this House, as the hon. member has stated, that it would not be safe for those men to go into public meetings. It would not be safe for whom? For the soldier or for the anti-conscriptionists in the hon. gentleman's county?

Mr. VERVILLE: I said that it would not be safe for either side.

Mr. ARTHURS: The hon. gentleman thinks it is right that he or any other gentleman may, in the province from which he comes, address public meetings that, to say the least of it, are not very loyal, but he denies the right of soldiers to attend those meetings or any others. That is absolutely unfair. Those men should have the right—

Mr. MEDERIC MARTIN: Just a few words about those meetings we had in Montreal.

Mr. ARTHURS: Is the hon. gentleman going to make a speech? I thought he was going to ask a question.

Mr. MEDERIC MARTIN: I do not want to make a speech, but I want to correct my hon. friend.

Mr. ARTHURS: The hon. gentleman (Mr. Verville) said that those soldiers misbehaved themselves at Sydney. I presume the meeting on the occasion to which he referred was one to be addressed by a friend of his, Mr. J. C. Watters, I do not think the people of Canada have anything against the soldiers for having broken up that meeting, if they did so.

Mr. GAUVREAU: It was a labour association. A labour man is sometimes as good as a soldier in this country.

Mr. ARTHURS: The soldier is as good as the labouring man. The soldier is a man who has proved his worth so far as this country is concerned. If a man goes to the front, is wounded and comes back and, whether he likes it or not, has to remain in uniform, he is surely entitled to every privilege that any labouring or other man in Canada may have. Those soldiers should have the absolute right not o ly to attend public meetings in uniform but to join any political clubs, whether Conservative or Reform. They should have the absolute right to attend those meetings in uniform for the simple reason that they are not permitted to attend them in any other costume. Any man who knows the circumstances knows perfectly well that those men may be retained, and that, for many months after they return to Canada, they have to appear before board after board. During all that period, in order to draw their pay, in order to live, they must abide by the military regulations, which state that they must be in uniform. Does any man in this House think it fair that those men should be deprived of the ordinary rights of citizenship, whether at election time or at any other time, simply because they are forced into that position and have to appear in uniform if they appear at all? There is not a gentleman within the sound of my voice who does not believe with me that those men have the same rights as anybody else. I am not asking that they receive greater rights than the labouring men, or Mr. J. C. Watters, or any other man.

Mr. VERVILLE: The hon. member does not seem to understand me correctly.

Mr. ARTHURS: I cannot understand any hon. member making an argument of that kind.

Mr. VERVILLE: Those men should have their rights or they should not have them. I stated frankly that I did not mind whether a soldier attended a meeting in uniform or not, and if my hon. friend did not understand me, it is not my fault. I have as much respect for a soldier as my hon. friend has. My hon. friend would not say that they have a right to go into any meeting and break it up. Although they have the right as free citizens to attend meetings the same as any one else, whether they are in uniform or not, they have not the right to break up a meeting. I asked the minister what the Government were going to do about the matter. When I am addressing a meeting, I do not mind seeing any number of soldiers. They have a right to attend meetings, but they have no right to use their positions as soldiers to break them up. From now on there will be more soldiers in this country than ever before, and those men will surely have a right to hear whatever is said at any place, but if they are going to utilize their position in uniform as soldiers to break up a meeting of a body of men, that is wrong for the soldier, wrong for the country and wrong for the citizen. When I bring this matter

up, my hon. friend must not put into my mouth statements that I have not made. I like the soldiers just as much as he does. I want this to be well understood. Whatever has happened, my hon. friend always refers to another province. I have mentioned the places where trouble has arisen, and it has arisen in Winnipeg, in Sydney, Cape Breton, and in Toronto. Surely I am not going to be accused of having had anything to do with that. When J. C. Watters addressed that meeting in Sydney he was simply exercising the right of all free citizens in this country, whether soldier or civilian.

Mr. ARTHURS: Does my hon. friend say that Mr. Watters had the right to express the views he did in Sydney?

Mr. VERVILLE: This is a free country. Hon. gentlemen are always bragging about the Union Jack and freedom of speech Freedom of speech should, of course, be subject to certain restrictions, but if the Union Jack does not stand for freedom of speech it had better be removed from this House. I do not believe that any man should abuse this freedom; we should all keep within the law. We all know that there is a great difference in speakers; we see that in this House, where some are more fiery than others. We have to take into consideration the mentality of our citizens. If we do not like what is said by a speaker at a public meeting we do not have to take it; that is all. I was not present at the meeting in Sydney, but I know J. C. Watters pretty well, and in the reports I have seen of the meeting I have been unable to find that anything very wrong was said. I have seen Mr. Watters since the meeting, but have not asked him about it. But later in the year I shall be attending a labour convention in Ottawa, and I intend to find out exactly what was said. I believe in freedom of speech for all. Let the soldiers attend the meetings if they will, but let them behave like law-abiding citizens. They should always remember that a great many of our soldiers are labour men. There is absolutely no need for trouble of this kind.

Mr. MARTIN: I declare to this House and the country that the man who started the meeting against conscription and asked the people to revolt was a man from Ontario. His name was Villeneuve, and he came from St. Eugene in the county of Prescott.

Mr. ARTHURS: He knew enough to go to Quebec.

Mr. MARTIN: On the occasion of the first parade in the city of Montreal against the high cost of living, I permitted the citizens to make a demonstration on the condition that they would be quiet, but trouble was started by an assault made by a soldier. There were 25,000 people in the parade, and as it was going east on St. Catherine street a regiment of soldiers going north came along and the parade was stopped to allow the regiment to pass through. Just as the regiment had passed the last soldier snatched a French flag from some one in the parade and threw it under his feet. The people in the parade had not said anything to the soldiers, and the trouble was all the fault of this soldier who tried to insult the French-Canadian people. There was a fight, and I do not know whether the soldier was killed, as I have not seen anything about it in the newspapers. I remember that a meeting at the park five weeks ago, which was called by me, was attended by 150,000 people. A soldier started to insult my hon. friend from Maisonneuve (Mr. Verville), who was giving an address. I did not want the people to attack the soldier, but I had a hard time saving him from injury. Eventually I got him to the car with some constables. I admit that the soldiers have the right to attend meetings, but they have no right to provoke the people. They are the ones who are making the noise. I do not allow anybody to make speeches such as have been made this week in Montreal. I do not allow anybody to preach revolt, because we have enough on our backs already with conscription. The minister must tell his soldiers to respect civilian citizens, not only in the city of Montreal, but everywhere else in the Dominion, and then there will be no trouble. The soldiers sometimes go in groups of twenty or fifty. I have often gone to them and said: "Boys, don't do that. Go back to your regiment. What is the use of trying to provoke the French-Canadians?"

10 p.m.

In this House, when the hon. member for Rouville (Mr. Lemieux) was speaking against conscription, one man in uniform in the gallery used insulting language against the French-Canadian race and against the hon. member for Rouville, which I will not repeat in this House. He was drunk, and perhaps was not responsible for what he said. But think of it! A soldier right here in the House of Commons insulting the French Canadian

race in language which I would not repeat. If any trouble happens it will be the fault of these people. I do not say that all the English-speaking people are like that. He was only one, but he insulted the hon. gentleman (Mr. Lemieux). I had for witness Mr. Ashby, a member of the Quebec Legislature. He was sitting next to this soldier, and said it was terrible to listen to him. I know the Minister of Militia is a gentleman and does not like trouble, and I ask him to give instructions to his officers in the different cities that the soldiers must not provoke the French Canadians and incite them to fight. I will try to stop these meetings that are advertised in to-night's papers. If I am obliged to go on the platform I will go. But I will allow no more meetings. If anything happens it will be the fault of the Prime Minister, through passing this conscription law without giving the people a chance to pronounce upon it by means of a referendum. It is not only the people of Quebec who are opposed to this law, but the people of every province in Canada from the Atlantic to the Pacific, and the people are going to do all that it is possible to do when you try to get them to enlist. You cannot put that law into force. The people will not enlist, and you have no way of locating them as the different classes are called. If anything happens in Montreal, I shall be very sorry, because I do not like trouble; but if any trouble happens the soldiers will be responsible for it. The minister must stop the soldiers from drinking, because when they are drunk they do not know what they are doing, and they are trying to force the French Canadians to fight. I have often said to the soldiers, "Do not do that. What is the use of it"? I respect the soldier, especially those who have fought for the flag. I repeat, it is not only the French Canadians of Quebec who are against the conscription law, but the people of every province from the Atlantic to the Pacific. If anything happens, if blood flows in the streets of Montreal or any other city, the fault will be with the Prime Minister and with those who helped him pass that law.

Mr. SUTHERLAND: I think we have just had, possibly without exception, the most remarkable exhibition that has ever taken place during the whole history of Canada. The mayor of the greatest city in Canada, present in this Parliament, knows that for the past two weeks statements have been made at public meetings and statements have been published in the press which demand his presence in that city in order that he may see that the law is observed by all its citizens. Instead of that we have him here to-night making statements that are not a credit to the representative of any constituency in this Dominion. He has tried to put the blame for the condition that exists in Montreal and in the province of Quebec on a returned soldier, on the Prime Minister, on the Minister of Militia and particularly on some resident of the province of Ontario. A more inflammatory speech was never made by the representative of a constituency in the whole history of Canada. A greater responsibility rests upon the mayor of that city than upon any other person to see that the people are given to understand that they cannot violate the law. We have heard from another hon. gentleman from the same city to-night (Mr. Verville). He points to the flag and says: "This is a free country, we should enjoy free speech, and if we cannot enjoy free speech then tear the flag down." The free speech that we are complaining about is not the free speech that ought to be tolerated by the Mayor of Montreal or by any representative that we have present in this House to-night. He tries to inflame the passions of the people of that city by saying that somebody from the province of Ontario is responsible. During this session we have had speaker after speaker from the province of Quebec trying to make excuses for their province and putting the blame upon Ontario for the fact that Quebec has not done its duty, a fact which has made it necesary to enforce the Military Service Act. If that province had done its duty, as other provinces have, it would not have been necessary to put that law on the statute book. But it is the law of the country to-day, and yet you find the representative of the great city of Montreal trying to make it appear that the Prime Minister is the guilty party and that to him is attributable the condition of affairs in the province of Qubec and in the city of Montreal. He also blames a returned soldier. He says that the remark of a returned soldier could set the whole city on fire. He speaks about a returned soldier in the gallery.

Mr. MARTIN: I did not say that he was a returned soldier.

Mr. SUTHERLAND: You said that he was a man in uniform.

Mr. MARTIN: Yes, right here.

Mr. SUTHERLAND: The chances are that he was a returned soldier, a man who has arrived back from the front who realized what the conditions are, as you do not realize and as your province does not realize. He realizes that this country is at war and that the Military Service Act is necessary at this particular time if we are going to carry the war to a successful conclusion. It is a shame and a disgrace to make the statements that you have made here to-night. If you were doing your duty you would be in your city—the city you are supposed to represent but do not represent. I believe that there never has been, during the whole history of this country, a more inflammatory speech made than that made by you to-night. In so far as the province of Ontario is concerned, you do not need to trouble yourself about that——

Some hon. MEMBERS: Order.

The CHAIRMAN (Mr. D. Stewart): If the hon. gentleman (Mr. Sutherland) would address himself to the Chair he would be more in order.

Mr. SUTHERLAND: I bow to your ruling. I want to say to the hon. member (Mr. Martin) who represents the city of Montreal that he would be attending to his duties much better if he would pay a little more attention to the province from which he comes rather than trying to put upon some solitary individual, who he says comes from Ontario, but who may be a resident of Montreal, who has a French name, and who comes from the county of Prescott, the responsibility for these disturbances. I do not think it strengthens the hon. gentleman's case very much when he refers to that, but it certainly does emphasise the fact that he knows what is going on there at the present time. In the face of these inflammatory speeches that are being made there night after night, he knows what the law of the land is to-day and he knows that these speeches are in defiance of it. If he were careful in regard to what his duty is, and if he were anxious to see that the people of that city did their duty, he would be looking after the interests of the city, and he would not be in this House to-night.

Mr. MARTIN: I am sorry to see that my hon. friend (Mr. Sutherland) never reads the papers. I gave orders before I left Montreal to the chief of police, Mr. Campeau, that if any one opened his mouth to encourage the people to revolt, he should be arrested. If I am not in Montreal to-day, or if I was not there last night, it is because I thought it was my duty to vote against the Bill to buy the Canadian Northern railway. I had to be here. If you look at La Patrie you will see what we say about Villeneuve:

(Translation): Villeneuve is the man whom Mayor Martin threatened to have arrested the moment he opened his mouth in public, to preach revolt.

I am doing my duty in Montreal more than the hon. gentleman is doing his duty here. I gave orders and I tried to stop all these meetings. I am willing to go myself on the platform and try to stop these young people. Their proceedings are not in the interest, not only of Montreal, but of all Canada. I do not know why I should be reproached by the hon. gentleman because he does not read the papers. Since the conscription law has been passed I have been doing all I possibly could to counsel our citizens to remain quiet and to obey the law, since the law has been passed. If they do not want to enlist, well and good. These young men are responsible, especially those who come from Ontario. I do not know why they have been sent from Ontario to try and throw the blame on the city of Montreal and province of Quebec.

Mr. PROULX: I do not see why my hon. friend from Montreal, St. Mary's (Mr. Martin) should single out an individual who happens to come from my county. I know young Villeneuve. He has a brother who went to the front and came back wounded He is not living in Montreal. He came up to Prescott with a young man. He must have been impressed by the company he kept in Montreal. Villeneuve did not begin the agitation in Montreal, there were many who carried on that agitation before he took part in it. He has been most moderate. I hope the hon. member for Montreal, St. Mary's, will not be too hard on this young man who comes from my county and who has been speaking against conscription in Montreal.

The CHAIRMAN (Mr. D. Stewart): I think we have spent enough time on matters that are not at all relevant to the item under consideration which has to do with gratuities and compensation to retired staff officers and others. The hon. member for Maisonneuve has asked certain questions, and if the minister will make the explanation, then perhaps we can get back to the subject matter properly under consideration

Sir EDWARD KEMP: My hon. friend from Maisonneuve (Mr. Verville) asks what

I am going to do. I do not have to do anything in regard to the matter. Every member of this House knows what is right and what is wrong with respect to the conduct of private individuals and of soldiers. I would not want to admit—in fact I would take exactly the opposite position—that the soldiers who have enlisted have conducted themselves in any but a soldierly and gentlemanly way, with very few exceptions. There are exceptions in the conduct of civilians and there may have been exceptions among the soldiers; but, so far as I am able to judge, they have been very few indeed. There have been no serious complaints to the department in regard to the conduct of soldiers. Perhaps on some occasions they have been blamed when they were not blameworthy, but, as I say, the commanding officers know what their duties are, and I feel that the soldiers will conduct themselves as they should. The blame must not be placed on the soldiers on all occasions because we know of many occasions when the civilians were at least as blameworthy as the soldiers. I do not think that the incident to which the hon. member refers, or the circumstances arising out of it, are sufficiently grave, to base an argument upon, and I do not anticipate any difficulty in the future.

The hon. members for Carleton (Mr. Carvell) and Halifax (Mr. A. K. Maclean) raised a very important question and I do not at all complain of their doing so. We have done a big thing in this country with regard to voluntary enlistment. We went at it in a certain way, adopting the system of recruiting by battalions, appointing recruiting officers and making as many appointments as were necessary. As the war went on, there accumulated overseas and in Canada a large number of officers. Many of these have been retired to private life in the last three or four months. It is sometimes a good deal easier to get the uniform on a soldier than to get it off, but most of the soldiers are willing, when there is nothing further for them to do and they have performed their full duty, to revert to civil life.

Mr. CARVELL: I did not find fault with the employment of returned soldiers. I think that the man who has gone overseas and returned is entitled to anything the country can give him. I found fault with the men who never went overseas. I was told in St. John, I think it was two weeks ago to-day, by a returned soldier, that, of 176 officers of the staff of the Maritime Provinces, only 14 or 15 had ever been overseas. I have no personal knowledge of the matter.

Sir EDWARD KEMP: The question whether or not a man has been overseas is sometimes important, and sometimes not, in deciding questions of employment. I have had an investigation made with respect to the headquarters staff and the staffs of different divisions to ascertain if any men could be let out and allowed to revert to civil life. This is a big and difficult task, but the investigation has been completed and we have made great progress. In the division from which my hon. friend comes, No. 6, it is necessary to have a great many officers. That has just been investigated, and I have not yet received the report in respect to it. I wish to assure hon. members that it is not the policy or intention of the department to allow abuses, if there are any. On the other hand, I think my hon. friend will admit that, perhaps, sometimes when they see men in uniform there is a tendency to think they are doing nothing. Hon. members may be entirely mistaken. A man who wears a uniform is a marked man. I have heard this question raised very often and I have heard decent hardworking officers criticised, when the parties criticising did not know the real occupation of the officers. There are hundreds of officers in this country who would have made just as good officers, if they had been able to go to the front, as those who were fortunate enough to get to the front. As a general rule, an officer is considered fortunate if he is able to get to the front. An officer said to me the other day: We have been held in Canada and we have been asked to do the dirty work—using that term in the same sense that there is not as much kudos in doing work at home as in going to the front. There are a lot of men in Canada, who have performed splendid service, and it is not their fault that they have not been able to get to the front. Because of our system of organizing by battalions and appointing a full quota of officers, we have had more officers than were needed. The situation is not an easy one. It has caused me concern; but I am prepared to handle it in as fair and decent a way as possible. I am glad that the question has been raised by my hon. friends from Halifax and Carleton counties, and I am prepared to discuss it frankly. I have no fault to find with the remarks made by the hon. gentlemen.

Mr. SINCLAIR: I do not think we should leave this subject without the min-

ister telling us he will do something to improve the situation at Halifax. This matter is not new, it has been before the House from time to time. It commenced as soon as the war broke out. At the short session of Parliament, in August, 1914, we learned that the politicians in Halifax were becoming active and endeavouring to get all the money they could out of the department by interfering with military affairs. The matter was drawn to the attention of the Prime Minister at that date, and we got an assurance from him that it would be stopped. It has never been stopped, it is going on to-day, and we have the junior member from Halifax stating to-night that the military hospitals cannot be run without the interference of local committees, who order everything that is bought for the hospitals, doing all the business over the heads of the men who ought to do it and who should be entrusted to do it by the minister. That is very easily stopped; the minister could stop it with a stroke of the pen. Let him instruct his chief officer at Halifax, whoever he is, that he must not accept any recommendation from any local politicians, or any man who interferes with him in conducting the local business. Let him do that in good faith. Let him tell his officer that if he wants to purchase goods for the military hospitals, or wants to do anything at all in the way of repairs or spending money —and there is a good deal of money being spent—he will have a free hand to do it, in a business way, and that if he refuses to accept the orders of local politicians the minister will stand by him, that he will see to it that he does not suffer by that refusal. If the minister will tell us that he will do that, I think it will cure the whole business. I think he should give us an assurance to-night, because this is a complaint of long standing, and should not be allowed to go on from year to year without something being done about it.

Mr. J. J. HUGHES: Coming from one of the Maritime Provinces, I am somewhat interested in this matter, and know a little about it. I was somewhat disappointed at the minister's attitude, because he seemed to take the ground that the military establishment at Halifax was not overmanned. The headquarters are at Halifax for the three Maritime Provinces. When that list was published a few days ago, it was really startling to see the number of names, and the enormous aggregate of salaries. And the list is not complete. How many were left off the list I do not know, but I know that some are left off, because I see only one medical man from Prince Edward Island. Every business man knows, no matter what his business is—and I presume this applies to military as well as civil affairs—that if you have too many men in your employ you get less work and inferior work from them. They are falling over each other, and I think this is the case at Halifax to-day. I will give some concrete cases which will illustrate the point.

The CHAIRMAN (Mr. Dugald Stewart): I ask the hon. member to be as brief as he can. His remarks are not at all relevant to the matter under consideration, and I thought we had agreed that, with the statement of the minister, we would come back to the business properly before the committee, and I may say to the hon. gentleman, also, that as I understand his remarks, they are not much more than a repetition of what has been said by others who preceded him, and I can see no harm in his shortening his remarks, so that we can get down to the work properly before us.

Mr. McKENZIE: Is closure invoked?

The CHAIRMAN: Order, order.

Mr. McKENZIE: I am asking a question. Are we to be shut off?

The CHAIRMAN: The hon. gentleman understands me. I only want to get the committee back to the discussion of what is properly before us. I have no desire to restrict the debate, and I do not think the minister has any such desire.

Mr. McKENZIE: I think it is a rule that great latitude is allowed in committee. We are on the militia estimates, which provide the money of the country for military purposes, which, of course, we are glad to expend in a proper way, but I think it is unwise for the Chairman to draw the line too sharply when the discussion is in regard to the expenditure on militia matters.

Mr. J. J. HUGHES: I will endeavour to comply with the Chairman's wishes in regard to the brevity of my remarks, and I believe I would have been through now if I had not been interrupted. I was saying that the overmanning of any staff leads to inferior work, and less work, being done, and I was going to give some concrete instances. I have been informed, for instance, of the case of a young man from Prince Edward Island who is now at Halifax. His mother wished to communicate with him

because his brother was seriously ill, and she wrote him several times, getting no reply. She kept writing, and he got fourteen letters all at once. She sent him a telegram that his brother was seriously ill, and he did not receive the telegram until he got leave of absence for other reasons, and went home. This young man has a brother at the front. In connection with this case, I wish to direct the minister's attention to this fact: that young man enlisted, but when he reached Halifax he underwent another medical examination, and was pronounced unfit for overseas service. Being unfit, he wished to leave the army, as there was no use remaining there any longer. This happened six months ago, and he has not received his discharge yet. His brother is seriously ill, and there is no person at home to take charge of the farm, his mother being a widow.

Sir EDWARD KEMP: Has the hon. gentleman reported the matter to the department?

Mr. HUGHES: No, I just got the information the other day. The soldier's uncle gave me the information, and I understood it has been reported to the department.

Sir EDWARD KEMP: What answer did they get?

Mr. HUGHES: No answer.

Sir EDWARD KEMP: Oh, they must have received an answer.

Mr. HUGHES: I will take it up with the minister and the department, and give him all the names and facts in connection with it. The amount mentioned in this return is exceedingly large. I want to bring another fact to the minister's notice, showing clearly, I think, that there are entirely too many officers at Halifax. Last winter in my home town there were eighteen men, in barracks. The captain in command of these few men had been in his father's office for some years; he was a business man of considerable experience. He had under him a lieutenant also a man of considerable business experience. Yet an officer was sent from Halifax to that town to purchase the food required by these eighteen men. Surely that was waste and overlapping; the captain of that detachment could surely have done that work himself. In fact, it was generally known that the officer from Halifax was sent to that town in order that he might have something to do. These things make a bad impression upon the country; they lead the people to believe that actual waste is going on. Any business man would come to that conclusion. Moreover, the employment of a large number of recruiting officers at salaries of over $2,000 each, when no recruiting is being carried on, is surely a serious waste of public money. The department cannot be wholly without knowledge of these conditions; it is time that they were taken up and remedied.

Mr. KYTE: Is there any difference between the pay of officers of the militia and that of officers who have enlisted for overseas?

Sir EDWARD KEMP: Yes.

Mr. KYTE: Which is the larger?

Sir EDWARD KEMP: The Canadian Expeditionary Force rates are higher than the militia rates.

Mr. KYTE: The general officer commanding Military District No. 6, Halifax, General Benson, receives a salary of $3,675, while the officers under him receive much higher pay. Take for instance, Brigadier-General McLean, who is getting a salary of $6,012 a year. Lieut.-Colonel Powell is receiving Canadian Expeditionary Forces pay at a much higher rate than that at which General Benson is paid. These gentlemen are not performing overseas services; they are enlisted in Military District No. 6; they are under the command of General Benson, yet their salaries are much in excess of his.

Sir EDWARD KEMP: The return brought down in respect to the matter is misleading. The pay and allowance of an officer commanding a district is $4,600 per annum. General Benson receives that salary, but certain deductions are made on account of house rent, fuel, light, etc., bringing the amount down to $3,675 per annum. The return is misleading also in reference to Brigadier-General McLean; the amount of $6,012 is too much by $720. There was an error in respect of the separation allowance; it should not have been included. Brigadier-General McLean is on the Canadian Expeditionary Force and receives the pay of a Brigadier-General. He is temporarily employed, receiving the same pay as an officer overseas.

Mr. KYTE: As a matter of fact, he is not overseas; the ordinary mind finds it difficult to understand why the pay is so large. This list shows that Major Purney received last year $2,972. Is he getting overseas pay?

Sir EDWARD KEMP: If he has been overseas he is still in the Canadian Expeditionary Force.

Mr. KYTE: Is it the rule of the department to continue overseas pay to officers after their return from overseas?

Sir EDWARD KEMP: That has been the rule. They are temporarily employed until they receive their discharge.

Mr. PROULX: I see in the newspapers that over a hundred officers have come back from England without going to the front. They would not go to France as privates. Will these officers get their discharge?

Sir EDWARD KEMP: Yes, they are being discharged all the time—hundreds of them—upon their return to Canada.

Mr. PROULX: Will they be liable to service under the Military Service Act?

Sir EDWARD KEMP: I will have to refer my hon. friend to the Act; some might and some might not. Off-hand, I should not want to speak with authority in the matter.

Compensation to Mrs. Mary Hannon for loss of her husband who received injuries while employed as foreman at Valcartier Camp, which caused his death, including $25 for medical and funeral expenses, $2,025.

Mr. OLIVER: Is this the sum usually allowed in such cases?

Sir EDWARD KEMP: In the absence of a Dominion law or a central authority governing such matters, the Pensions and Claims Board recommend that, under the provisions of the revised statutes of the province of Quebec, 1909, there be paid to the widow, Mrs. Mary Hannon, in full compensation, the sum of $2,000 and that she be further paid the sum of $25 for medical and funeral expenses in connection with the death of her late husband.

Mr. A. K. MACLEAN: You are paying just what would have been recovered under the Workmen's Compensation Act?

Sir EDWARD KEMP: Yes.

Mr. OLIVER: The department, then, proceeds upon some system in regard to the payment of death claims?

Sir EDWARD KEMP: Yes, the Compensation Act of the province in question.

Mr. OLIVER: Of course, the Compensation Act of the province does not really govern the case.

Sir EDWARD KEMP: It is a basis upon which to act.

Mr. OLIVER: The department establishes as a principle that they accept the terms of the Compensation Act of the provinces in case of death?

Sir EDWARD KEMP: The Act is used as a basis for compensation.

Mr. OLIVER: The Militia Department, of course, not being under the control of the provinces, can accept the provincial law as a basis and yet, in the superstruction raised on that basis, not come altogether close to the provincial law. I am asking only for information. If I am to understand the minister as saying that they, in effect, adopt the provincial law, then I understand. But if he says: We use the provincial law as a basis, then I do not understand.

Sir EDWARD KEMP: The provincial law is used as a basis or a guide on which to settle such claims. These claims come before the Pensions or Claims Board and are adjudicated by the Board. The awards are made in that manner.

Mr. OLIVER: It is not the Provincial Compensation Act that governs, but the Pensions Board?

Sir EDWARD KEMP: No, the provincial law is used as a basis or guide.

Mr. OLIVER: Therefore, as a matter of fact, there is no standard. The award is whatever the Pensions Board may decide?

Sir EDWARD KEMP: Yes.

Mr. A. K. MACLEAN: If it is the departmental policy to compensate dependents for injuries caused to persons while in the service of the department, that means the adoption of a very wide rule. I have had some correspondence with the minister about the case of a man in Halifax who was engaged in doing some work on the forts. While he was so engaged, there was a premature explosion of powder, and he lost the sight of both eyes. That case would be just as strong as this could be.

Sir EDWARD KEMP: Did my hon. friend take it up with the department?

Mr. A. K. MACLEAN: Yes, with the minister himself.

Sir EDWARD KEMP: With my predecessor?

Mr. A. K. MACLEAN: No, with the present Minister of Militia, but I do not, of course, anticipate that he is dealing with the matter personally. I think, in a case of that kind, such a person is entitled to some compensation because he is unable to work and never again will be able to return to his former occupation. It is true he has not lost his life, as did the husband

of Mrs. Hannon, but the case is a very serious one. Still, I can bring the matter to the attention of the officers of the department later on.

Sir EDWARD KEMP: What was the answer I gave in the case?

Mr. A. K. MACLEAN: That it was having every consideration.

Sir EDWARD KEMP: It is under consideration.

Mr. A. K. MACLEAN: Well, it has been considered for a whole year, and I have very little hope of any action being taken. But, after having heard the minister's explanation about this claim, I give him notice that I shall call upon him personally some day soon.

Sir EDWARD KEMP: All right, I shall be delighted.

Mr. OLIVER: Is it the policy to recognize claims for injuries as well as for claims for death?

Sir EDWARD KEMP: Yes, we are doing that all the time.

Mr. OLIVER: On the basis of the provincial Act?

Sir EDWARD KEMP: It is taken, as I said, as a guide.

Mr. SINCLAIR: Does that apply especially to the Militia Department, or does it apply to other departments of the Government?

Mr. CROTHERS: On page 17 there are a number of similar cases of compassionate allowances paid to widows.

Mr. SINCLAIR: There is a great variety of ways of dealing with these cases. A few evenings ago it was drawn to the attention of the Government that the dependents of a man in New Brunswick received $600, and another allowance of $1,000 and another of $2,000 were referred to. There should be some way of dealing fairly with all the cases in all the departments. I had occasion to bring to the notice of the Minister of Marine and Fisheries (Mr. Hazen) a case in my constituency in which I was unable to get anything at all for a helpless child, the dependent of a sailor who had died in the service of the department—he contracted a cold from exposure and died in a hospital. The case was one of great hardship. I do not know if there is any universal rule about these matters; there does not seem to be. But the minister should bring the matter to the attention of his colleagues in the other departments, and a system should be adopted to apply to every one alike.

Mr. OLIVER: I would very much prefer to depend upon the provincial law, and if the Pensions Board, in considering a claim, would consider it not only upon the basis but upon the terms of the provincial law, that would be much more satisfactory to all concerned. The Pensions Board, so far as they have yet gone, judging by many reports that I have, seem to be under the impression that their business is to stand people off instead of to provide for the payment of claims. If they are dealing with those cases of accidental death or injury on the same basis, that is certainly not very gratifying to the parties who have suffered.

For payment to Mr. George McArthur of interest at three per cent on security cheque, $189.

Mr. A. K. MACLEAN: What does that mean?

Sir EDWARD KEMP: It is a security cheque deposited with the Government, and this is the interest on it.

Mr. A. K. MACLEAN: Is not this a new principle to adopt?

Sir EDWARD KEMP: The interest is three per cent.

Mr. A. K. MACLEAN: If the security was with the Government in the shape of a certified cheque, there is apparently to be a refund for interest during the time it was held. Was Mr. McArthur a contractor for the department?

Sir EDWARD KEMP: Yes, and this is interest on his cheque held by the department.

Mr. A. K. MACLEAN: The reason I am interested in this matter is that it has been the policy of the Government and of all departments to decline the payment of interest upon securities lodged with the Government. Was that security lodged during the time tenders were being called for?

Sir EDWARD KEMP: The cheque was, by inadvertence, held in the department instead of being deposited with the Receiver General.

Mr. CARVELL: Is this man from St. John or Sussex, N.B.?

Sir EDWARD KEMP: I do not know. The work was at Sussex.

Mr. CARVELL: I think I know the man. This is all right.

Mr. A. K. MACLEAN: All I want to say about the matter is this: I am not very much interested in this particular item, but it is not the practice in other departments to allow interest.

Sir EDWARD KEMP: The Receiver General allows three per cent interest.

Mr. A. K. MACLEAN: I do not think so.

Sir EDWARD KEMP: We could not take millions of dollars on deposit without paying interest.

Mr. A. K. MACLEAN: It is not done by the Public Works Department.

Sir EDWARD KEMP: I am surprised to hear that.

Mr. A. K. MACLEAN: I have often thought it was unfair not to pay interest.

To provide for the following gratuities: Professor A. Laird, on his retirement from the staff of the Royal Military College, $3,271.67.

Mr. CARVELL: How is it these are all revotes?

Sir EDWARD KEMP: They were all voted last year, but were not paid.

Mr. SINCLAIR: Why did Professor Laird leave the department?

Sir EDWARD KEMP: Because of illness.

Mr. SINCLAIR: If these amounts were voted, why did not the parties get the money?

Sir EDWARD KEMP: The financial year had expired before the money was voted.

Mr. SINCLAIR: They will get it now?

Sir EDWARD KEMP: I hope so.

Mr. A. K. MACLEAN: Professor Laird has since died; the money cannot be paid to him.

Sir EDWARD KEMP: No, it should be paid to his estate, and I move to amend the item accordingly.

Amendment agreed to.

Mr. OLIVER: What is the explanation of the next payment of $2,628 to the widow of the late Major Kilborn?

Sir EDWARD KEMP: This is based on one month's pay for every year the man has been in the service.

Mr. OLIVER: It is on a pension basis? The reason I ask is that lower down I see a gratuity to the widow of the late Mr. Gibson for only $365.

Sir EDWARD KEMP: The gratuity depends upon the length of service and the rank.

To provide for the payment of the value of loss of timber licenses by reason of expropriation of land for site of Petawawa camp grounds to Robert Booth estate, $16,077.59; Samuel Bromley, $9,553.76; James R. Gillies, $12,724.40—$38,355.75.

Mr. CARVELL: I think this item requires some explanation. I remember a great many years ago, when Sir Frederick Borden was Minister of Militia, we used to have a good deal of discussion in this House over the claims for compensation by owners of timber licenses at Petawawa camp. I do not know whether the claims were settled in 1911 or 1912, but I think two large amounts were paid. This is certainly a large amount of money we are asked to vote. I used to go to Petawawa ten years ago. I suppose there may have been some timber there, but I never saw it. All I ever saw at Petawawa was sand and a sort of sagebrush, but there must be timber up the river. I often wondered on what ground these men based their claims for such enormous sums of money. I think the country is entitled to some explanation why this amount of $38,000 should be paid after so many years, unless of course it is a new expropriation, or something of that kind.

Contribution in aid of sufferers from an explosion in mine No. 3 of the Crow's Nest Pass Coal Company, on the 7th of June last, $537,250.

Mr. CROTHERS: In this explosion 38 miners lost their lives, leaving 24 widows and 52 young children. This compensation is to be distributed by a committee composed of the mayor of the town of Fernie, the manager of the Imperial Bank, the manager of the Home Bank, and three miners.

Mr. A. K. MACLEAN: Is there any system of compensation in British Columbia which would have been available for these people?

Mr. CROTHERS: I am not sure as to that, but I know a contribution was made by private individuals amounting to about $11,000.

Mr. KYTE: I would draw the minister's attention to the explosion that took place in the town of New Waterford some weeks ago, in which 62 miners lost their lives. I should like very much if the minister would take that into consideration and, following the precedent he has established in this case, make some provision for the depend-

ents of those who were killed at New Waterford. I suppose the minister has all the particulars, and I would once more urge upon him to consider whether the department could not make a similar allowance in this case.

Mr. CROTHERS: As soon as I heard of the accident at New Waterford through a press despatch, I communicated with our agent there for full particulars. I then took the matter up with the mayor of Sydney and one or two other prominent men, and they all wrote to say that they did not desire any donation, that the company was making ample provision for the dependents of the men who had lost their lives.

Progress reported.

On motion of Hon. Mr. Crothers, the House adjourned at 11.20 p.m.

Saturday, September 1, 1917.

The House met at Three o'clock, the Speaker in the Chair.

REPORT PRESENTED.

Eighth Annual Report of the Commission of Conservation, for the fiscal year ending 31st March, 1917.—Hon. Mr. Burrell.

FIRST READING OF SENATE BILLS.

Bill No. 129, to amend the Companies Act so as to provide for the incorporation by Letters Patent of Corporations for purposes other than that of gain—Sir Thomas White.

Bill No. 130, relating to War Charities.—Sir Thomas White.

BACON AND LARD—PURCHASES IN CANADA.

On the Orders of the Day:

Hon. FRANK OLIVER (Edmonton): A special cable to the Ottawa Journal, dated London, August 31, contains the following:

The (British) Government cannot purchase in Canada bacon and lard owing to the limitations placed on it by the Imperial Treasury, as America is ready to finance contracts while Canada is not. As regards private buying, the Canadian prices are too high for Britain.

I would ask the Minister of Trade and Commerce if there is any foundation for this dispatch?

Sir THOMAS WHITE (Minister of Finance): I do not think the Minister of Trade and Commerce (Sir George Foster) would have been in a position to answer, because that is merely a newspaper report which may or may not be authentic. I think I can say that the Government has no definite information in respect to the matter.

WAYS AND MEANS.

The House in Committee of Ways and Means, Mr. Rainville in the Chair.

Sir THOMAS WHITE (Minister of Finance) moved:

That towards making good the Supply granted to His Majesty on account of certain expenses of the public service for the financial year ending 31st March, 1918, the sum of $51,681,871.90 be granted out of the Consolidated Revenue Fund of Canada.

Motion agreed to.

Sir THOMAS WHITE moved:

That towards making good the Supply granted to His Majesty on account of certain expenses of the public service for the financial year ending 31st March, 1917, the sum of $4,821,217.80 be granted out of the Consolidated Revenue Fund of Canada.

Motion agreed to.

Resolutions reported and concurred in.

SUPPLY BILL.

Sir THOMAS WHITE thereupon moved for leave to introduce Bill No. 128 for granting to His Majesty certain sums of money for the public service for the financial year ending 31st March, 1918.

Motion agreed to, and Bill read the first time.

SUPPLY.

House again in Committee of Supply, Mr. Dugald Stewart in the chair.

Department of the Secretary of State—To provide for one clerkship in First Division, Subdivision A, $2,800; to provide for four clerkships in Second Division, Subdivision B, 2 at $1,250, 2 at $1,150, $4,800; to provide for the administration of the Companies' Act, $5,000—$12,600.

Mr. MURPHY: I presume on account of the increased work in the Department of the Secretary of State, additional clerkships have been provided. There is an item here of $5,000 to provide for the administration of the Companies Act. What is that vote for?

Mr. MEIGHEN: The $5,000 for the administration of the Companies Act is to be withdrawn. A revision of the Companies Act has been introduced by the leader of the Senate, and it has been found impossible to go on with it this session. So this item will be withdrawn.

Sir WILFRID LAURIER: Then there is a motion to reduce the amount to $7,600?

Mr. MEIGHEN: Yes, it will be reduced to that amount. The hon. member for Russell (Mr. Murphy) was not quite right in regard to the additional clerkships. This is simply to provide for the promotion of certain clerks, and this item is necessary to comply with the provisions of the Act to amend the Civil Service Act. I move to strike out the item of $5,000.

Motion agreed to.

Miscellaneous expenses under the Canada Temperance Act—further amount required, $5,000.

Mr. MEIGHEN: It is impossible to tell, I am informed, so far in advance, what moneys will be required for the administration of this Act, for the reason that we cannot tell how many counties will ask for the vote to be taken on the adoption of the Act. These moneys are required for six constituencies in which a vote is now to be taken, but chiefly to take care of the constituencies of Quebec and Quebec City. In view of the opposition there, it is necessary to hold an inquiry called an enquête, and the expenditure there will be considerable. The other constituencies are Compton and Missisquoi, in Quebec; Fredericton and Sunbury and Charlotte in New Brunswick.

Mr. CARVELL: Could the hon. gentleman give me any information as to the position of the Bill in the Senate? I suppose I can hardly expect an answer to that question now. There is a provision in the Bill which passed this House and went to the Senate which affects my own constituency, and that is the reason I ask the question. A prohibitory law came into effect in New Brunswick on 1st May, but it does not take effect until these counties which have adopted the Canada Temperance Act get that Act out of the way. There was a proposal that, in many cases, we might suspend the operation of the Canada Temperance Act by an Order in Council, and provision to that effect is included in the Bill. A petition has been sent to the Secretary of State—I do not know whether it is in Ottawa yet—from the counties of Charlotte and Carleton, New Brunswick. The vote was to take place in Charlotte on 21st September. I have received a number of letters in the last ten days inquiring as to what was going to be done. Have we to go on and hold the election, in order to get rid of the Canada Temperance Act, or can we get rid of it by Order in Council?

Mr. MEIGHEN: The Bill my hon. friend refers to passed this House, but is not yet through the Senate?

Mr. CARVELL: I believe it is not yet through the Senate.

Mr. MEIGHEN: I will make inquiry. The matter might be spoken to on the Orders of the Day on Monday or Tuesday next.

Sir WILFRID LAURIER: If it passes the Senate, what then?

Mr. MEIGHEN: I could not say what the Government's course would be. We would have no power at all until it passes the Senate. I will make inquiry, and I will endeavour to obtain an answer.

Mr. CARVELL: I have a letter from the chief inspector of the province, pleading for an answer to the question, and I am unable to tell him exactly what might happen.

Mr. SINCLAIR: I would like to know the policy of the Government with regard to this matter, as it affects my constituency. The Canada Temperance Act is in force in the constituency I have the honour to represent, and some of the people are opposed to having it repealed. There appears to be a difference of opinion as to whether it would be wise to repeal it or not. I want to know if it is the intention of the Government, by Order in Council, to repeal the Canada Temperance Act without any reference to the people of the constituency, or the county council, or any authority in the constituency?

Mr. MEIGHEN: The hon. gentleman's question is the same exactly as that of the hon. gentleman from Carleton (Mr. Carvell), and, of course, is answered by the statement already made. Possibly the hon. gentleman from Guysborough (Mr. Sinclair) might give us his best advice as to what should be done with respect to the repeal of the Act in those two counties.

Mr. SINCLAIR: I would be glad to ascertain the views of the people if I could, and do anything I could to assist the minister in dealing with the question, but I must say that I do not altogether like the provisions. The policy of local option is a good one, and when the people vote for a measure and have it made law in the county it would be a little extreme to abolish it without any reference to them. But I am not sure what is the best policy to adopt. I would like to know whether

the Government intend to take that step without any reference to the authorities in the county concerned?

Mr. CARVELL: The minister will pardon me for answering a question that is not directed to me. I think I can assist him to some extent. Under the Canada Temperance Act there must be a petition signed by twenty-five per cent of the qualified electors asking the Government to submit to the people a proposal either to adopt or to repeal the Act. We in New Brunswick have asked that when we have complied with these conditions precedent and have finished the petition signed by the necessary twenty-five per cent of the electors, the Government shall suspend the operation of the Act by Order in Council. The result would be that the Prohibition Act would automatically come into force. The reason why we have asked for that is that there is a provision in the New Brunswick legislation that there shall be a plebiscite upon the question whether or not the prohibition law shall continue. If the general prohibition law should be defeated, we would rather fall back upon the Canada Temperance Act by having the Order in Council repealed. That is the proceeding that we are trying to work out in New Brunswick, and I am sure it was what was in the mind of the Government when this Bill was introduced.

Mr. MEIGHEN: As I understand the hon. gentleman's explanation, it is this: Action by the Government merely suspends, whereas action by a vote of the constituency permanently repeals. It follows, he says, that where there is a petition of twenty-five per cent of the electors in the county in favour of such procedure, it is preferable that the Government should act by suspension rather than wait for the vote.

Mr. MARCIL: I did not understand the explanation given by the minister with regard to what was intended to be done in Quebec.

Mr. MEIGHEN: The Government has no special policy, of course, with regard to that province.

Mr. MARCIL: Applications have been received from some constituencies, I understand, in Quebec.

Mr. MEIGHEN: From the constituencies of Quebec city, Compton and Missisquoi.

Mr. MARCIL: What is to be done in Compton and Missisquoi?

[Mr. Sinclair.]

Mr. MEIGHEN: Elections under the Canada Temperance Act are to take place in the three constituencies that I have named. We are providing $5,000 to cover the expense of these elections, particularly that of the election in Quebec, where there is very much opposition. The $5,000 covers the cost of administering these three elections and the three in New Brunswick.

Mr. MARCIL: The Canada Temperance Act is not in force in Missisquoi at present?

Mr. MEIGHEN: No.

Mr. MARCIL: I see in the Gazette to-day a notice that a petition has been received from Quebec city signed by over 8,000 electors; that Mr. Antoine Gobeil has been appointed returning officer, and that voting has been fixed for the 4th of October. Is that information correct?

Mr. MEIGHEN: I have no reason to think that it is incorrect.

Mr. MARCIL: Mr. Gobeil was the former Deputy Minister of Public Works in the province of Quebec. I am glad to know that a vote is to be taken in Quebec city, because there would be some difficulty in taking the vote under the provincial Act. There is a provision in that Act that there shall be only one polling booth in the whole city. I suppose that under the Canada Temperance Act the polling booths would be numerous and the vote would be taken under rules similar to those which prevail in a Dominion election?

Mr. MEIGHEN: I think so.

Mr. CARROLL: There are only two counties in Nova Scotia now under the operation of the Canada Temperance Act, and I do not think it would make much difference whether the Canada Temperance Act were revoked by Order in Council or by reference to the people. We have a prohibition law in Nova Scotia, and when the Canada Temperance Act goes out, the other comes in. If application were made to the Government for the putting out of the Canada Temperance Act, there would be a saving to the Government if the necessary action were taken by Order in Council. I think the people of Nova Scotia are inclined to believe that they will not have the license system there in future. There can be no such thing as local option in Nova Scotia to-day. There was what was known as the Nova Scotia Temperance Act, but when the Canada Temperance Act was voted out of existence in any particular county, the

Nova Scotia License Act came into force. They did have licenses in a few municipalities, but to-day there can be no licenses at all.

Miscellaneous—to provide for the expenses of the Commissioners, and other disbursements in connection with the Royal Commission to review the findings of the Hon. Mr. Justice Galt, $5,500.

Mr. PUGSLEY: Will the minister explain this item?

Mr. MEIGHEN: The commission sat in Montreal for thirty-five days. The expenditure is not all settled, but so far it amounts to $4,800. It covers the expenses of one commissioner, $835, the official reporter, $696; counsel, $2,156; secretary, $800, rent of office, $215, incidentals, $100. There still remain the expenses of the other commissioner and a few incidentals.

Mr. A. K. MACLEAN: Upon what ground is this Parliament asked to vote money to pay for expenditures in connection with that commission?

Mr. MEIGHEN: Because the commission was appointed under the authority of Parliament.

Sir WILFRID LAURIER: Under the authority of this Government, not of this Parliament.

Mr. MEIGHEN: Parliament passed the Inquiries Act; this Commission was appointed under that Act.

Mr. MARCIL: Is this a matter of Dominion jurisdiction.

Mr. MEIGHEN: Yes.

Mr. MARCIL: I thought it related to Manitoba affairs.

Mr. MEIGHEN: It does not refer to Manitoba legislation.

Mr. PUGSLEY: Under what provision of the Inquiries Act can there be an inquiry into an investigation held under commission by a government of a province.

Mr. MEIGHEN: I have not the Inquiries Act before me, but I am pretty sure that the Order in Council authorizing this inquiry purports to be under the authority of the Inquiries Act. The Inquiries Act is very wide.

Mr. PUGSLEY: If I remember rightly, the Inquiries Act has reference only to matters connected with management of a department of the Dominion Government. I do not see how the report of a Commissioner appointed by a provincial Government has anything to do with any of the departments of the federal Government.

Mr. MEIGHEN: It would appear to the ordinary mind that the report of a King's Bench judge of a province reflecting seriously on the head of a department of Canada would form the subject of an inquiry that this House would be concerned with.

Mr. PUGSLEY: That is true, but this House might perhaps appoint a committee to inquire into such a matter. This does not affect the head of the department as such; it affects the minister only when he was a member of a provincial government; it relates to conduct some years ago when he was not connected with this Government at all. A commission might just as well issue to investigate the conduct of any member of this House when he was in charge of some office not connected with the Government of Canada at all.

Mr. MEIGHEN: I remember that was the stand taken by my hon. friend (Mr. Pugsley) some years ago. He is quite consistent now in taking the same stand; but then as now, we take higher ground. We take the ground that the previous public conduct of a minister of the Crown is a matter of present importance if the man concerned is still a minister of the Crown.

Sir WILFRID LAURIER: That is not the position which was taken years ago.

Mr. MEIGHEN: That was the position taken in 1910 by this side of the House.

Sir WILFRID LAURIER: Quite the reverse.

Mr. MEIGHEN: Oh, no.

Sir WILFRID LAURIER: Oh, yes.

Mr. MEIGHEN: The position taken then on this side was, and the position taken in England has always been, that anything that affects the honour of a public man elevated to the post of minister of the Crown, although the matter may have antedated his elevation to the post of minister of the Crown, was a matter of immediate public importance; that there really was no distinction in time arising from the fact that the subjects in question did antedate his elevation any more than should they be immediately concerning the conduct of his present department.

Sir WILFRID LAURIER: The position which was taken years ago by the Conservative side of the House in regard to a commission headed by Mr. Justice Landry to

investigate the conduct of some members of the New Brunswick Government was that the report of that commission was a judgment, that the commission was a court of justice and that therefore the decision of that court was not revisable by this Parliament. This Parliament has no right to revise a decision of a court of justice. The position taken by the present Minister of Labour (Mr. Crothers) at that time was exactly what I said, namely, that the commission was a court of law, and that its judgment was final. He would not even look into the evidence. He took the judgment just as it was and contended that this Parliament had to accept it just as it was. We then, sitting on the other side, did not admit that at all. During this session I stated that the report of a commission is simply the opinion of a man of high character as to certain events which took place at a certain time. I do not think even the Minister of Labour will contend otherwise. The very fact that he acquiesced in having the opinion of Mr. Justice Galt revised by this commission is proof positive that, in his opinion, the judgment of Mr. Justice Galt was not equivalent to a judgment of a court of law. When the hon. gentleman who was then Minister of Public Works was not satisfied with that report, the Parliament of Canada was not entrusted with the matter of reviewing the findings, but the Government chose to take action under the authority of the Inquiries Act. I am not prepared at the present moment to say whether the Government had or had not jurisdiction. We can discuss that point later on, because I presume, before we separate, the Government will set a day for the discussion of the new report which was laid upon the table of the House.

Mr. MEIGHEN: I think my statement of the position taken then was correct. It is true, we took the stand that the judgment of Mr. Commissioner Landry of that date was of the nature of a judgment of a court of law, although not in precise terms such a judgment. Consequently, while it stood, Parliament could not shut its eyes to it. But that does not say that Parliament should reverse it. We have not reversed it here; we treat it simply as being in the nature of a judgment of a court of law and subject to the incidents of any judgment of any court of law, namely, subject to revision by a tribunal of the same nature but of higher status. We did not presume ourselves to sit in judgment over the findings of Mr. Justice Galt. We appoint a tribunal of similar character, but

[Sir Wilfrid Laurier.]

of higher status, to review that judgment. That is all. The same stand as we took then we take now. While that judgment stands, Parliament cannot shut its eyes to it. That is the doctrine followed in England, and we follow it here. When it is reversed by a judgment of a tribunal of similar character but of a higher status——

Sir WILFRID LAURIER: How is the present tribunal higher than that of Mr. Justice Galt?

Mr. MEIGHEN: It was higher first of all in that the senior member of the tribunal was the Chief Justice of a province—the Chief Justice of Manitoba is surely higher than Mr. Justice Galt. Secondly, the tribunal was higher in point of—numbers.

Mr. PUGSLEY: How is the Chief Justice of Manitoba higher than a judge of the King's Bench of Manitoba?

Mr. MEIGHEN: The Chief Justice of Manitoba is higher than a judge of the King's Bench of Manitoba.

Mr. PUGSLEY: But the judges in question are of different provinces.

Mr. MEIGHEN: The provinces are equal. Therefore it follows mathematically that the status of the same courts are equal. The King's Bench of Manitoba is not the highest court of that province. There is a court above that; and above that again, there is the Chief Justice.

Mr. PUGSLEY: Why did you not appoint him?

Mr. MEIGHEN: We appointed a man of the same status. I do not think my hon. friend does very great credit to his province when he says that the Chief Justice of New Brunswick is not of the same status as the Chief Justice of Manitoba. I do not think he would be thanked by the Bench or Bar of New Brunswick for that statement.

Mr. MARCIL: The minister cannot take that ground with regard to Mr. Justice Tellier. He has ceased to be a judge; he has retired.

Mr. MEIGHEN: I do not think his status falls or his qualifications are diminished on account of his retirement. The status of the other commissioner was undoubtedly equal to, if not higher than that of Mr. Justice Galt, and from the point of numbers, of course, they had a right to review, on the same principle that in various provinces in Canada a court en banc sits as a court of appeal over the judgments of mem-

bers of a court of the same status—simply by virtue of numbers, they become a higher tribunal.

Mr. PUGSLEY: The minister says that the Chief Justice of New Brunswick has a higher status than a judge of the King's Bench of Manitoba. Would he suggest for a single moment that any person could appeal from the judgment of a judge of the King's Bench of Manitoba to the Chief Justice of another province?

Mr. MEIGHEN: He could not unless Parliament authorized him to do so.

Mr. PUGSLEY: Parliament has not that power.

Mr. MEIGHEN: Yes, acting under the Inquiries Act, passed by this Parliament, we have that power. If my hon. friend will read the Order in Council, which recites the Inquiries Act, he will find he had a basis for it.

Mr. PUGSLEY: Let me read the section of the Inquiries Act, chapter 124 of the Revised Statutes of Canada:

> The Governor in Council may, whenever he deems it expedient, cause inquiry to be made into and concerning any matter connected with the good government of Canada or the conduct of any part of the public business thereof.

It does seem to me a most absurd thing to say that this Government could appoint a commission to reverse the report—or rather the expressed opinion, because as my hon. friend has stated, it was only an opinion—of a commissioner appointed by the provincial government to inquire into certain transactions connected with the administration of the affairs of that province. What the Inquiries Act provides is that in any matter connected with the good government of the Dominion, a subject over which this Parliament has jurisdiction, or connected with the public business of Canada, there may be inquiry. I should think that the Government of Manitoba could to-morrow, with equal reason, appoint another judge to revise and express an opinion upon the report of Chief Justice McLeod and Mr. Justice Tellier. And what a farce that would be! It seems to me the only proper course to take would be the course that was taken in 1909, when this Parliament was asked to inquire into the evidence and form its judgment upon the question whether a person occupying a seat in the Government was worthy to be continued in that office. But the result of this Government appointing commissioners to revise the opinions of commissioners appointment by a provincial government can only be of the most farcical character. I understand that $2,100 is to be paid to counsel. Who appointed counsel?

Mr. MEIGHEN: The commissioners.

Mr. PUGSLEY: The counsel was Mr. Teed?

Mr. MEIGHEN: Yes.

Mr. CARVELL: I do not intend to discuss this question now, because my right hon. friend (Sir Wilfrid Laurier) has intimated that there will be another opportunity. What I cannot understand is this: suppose that the two members of the Bench whom the Government appointed to revise the finding in a purely local affair in the province of Manitoba had brought in a report that did not suit the Government; would there be any objection to appointing three more judges to see if they could bring in a decision that would suit the Government?

Mr. MEIGHEN: We would never do that.

Mr. CARVELL: If my hon. friend would take that ground, and not the ground that this was in the interest of the public, he would get along very much better. While the Solicitor General (Mr. Meighen) has a very acute legal mind, and argued his case as well as he possibly could, he must have realized that it was hard going to argue that the Chief Justice of New Brunswick and a retired judge of the province of Quebec formed a court that in some way had a right to reverse the finding made by a Manitoba judge, without calling witnesses and without going over the evidence thoroughly. Mr. Justice Galt made a finding after he had had the opportunity of seeing the witnesses and observing their demeanour on the stand, which helped him form an opinion whether they were telling the truth or not. It is an elementary principle of law, which every lawyer in the House learnt in his first year when he was at Blackstone, that except in a very flagrant case a court of review will not interfere with the finding of facts made by a judge in the first instance on the ground that he had the advantage of observing the demeanour of witnesses in coming to his conclusions. Mr. Justice Galt came to a certain conclusion, partly from certain evidence that was taken before him, and partly from the manner of the witnesses in giving their evidence. Then this Government appoints two other men, who never saw one of the witnesses, and who could not possibly have

gone over all the evidence in that time—they may have glanced over it, but they could not possibly have had time to read all the evidence, all the exhibits, and everything like that. Then these two judges say, "We find differently." What weight can be attached to a finding under those circumstances? But I am not going to discuss that now. I should like to know on what reasoning this Government asks this country to pay $5,500 to defray the expenses of this commission. I think I am correct in saying that when this commission was appointed some member of the Government informed the House that the commissioners were acting without salary. I know from personal knowledge that one of the commissioners was acting without salary. Where, then, does the $5,500 come in? My hon. friend says that counsel was appointed. Counsel for whom? Counsel to assist the gentleman whose conduct was being investigated? No counsel was appointed for the country, because nothing was done; they did not call witnesses, except the gentleman whose conduct was being investigated, who, I understand, appeared before the commissioners and made a statement. No witnesses were called, and there was no argument. The public does not know what took place, or whom counsel represented, if it was not the gentleman whose conduct was under examination. Does the Government ask this country to pay $5,500 to defray the expenses of counsel for the Hon. Mr. Rogers? That is about what it means. I know that one counsel who was there was not representing the gentleman whose conduct was being investigated; he was not there representing the people. I cannot reveal personal matters, but I will take the responsibility for saying that he was there simply to assist Mr. Justice McLeod. Now if Mr. Justice McLeod was receiving no salary, by what right does the Government appoint somebody else to go in and do his business?—because that is what it amounts to.

I have no objection whatever to the gentleman who received the salary. He is one of the best lawyers in Canada, and no doubt rendered valuable services. I hope he got a good fee out of it. (I may say that I adjourned legal actions in order to give him an opportunity to finish up this matter.) At the same time. I must seriously object to the people of Canada being called upon at this late date to reimburse the men who paid those fees. I think we ought to have a pretty clear explanation from the minister as to who employed these gentlemen, how much they were receiving, the conditions of their employment, and generally, the reasons why the country is being called upon to pay the expenses of defending the gentlemen who were attacked.

Mr. CROTHERS: I would like to say a word in reply to the reference made by my right hon. friend (Sir Wilfrid Laurier) to a motion made in this House in May, 1909, asking the House in substance to express its disapproval of the conduct of the then Minister of Public Works as set forth in a report made by Judge Landry and two others. My right hon. friend repeated here to-day what he said a few weeks ago, that that motion was founded entirely upon the report, and that there was no reference whatever to the evidence.

Sir WILFRID LAURIER: Hear, hear.

Mr. CROTHERS: My right hon. friend is quite mistaken in that. Speaking on this subject a few weeks ago, he quoted some remarks I made at the time I had the honour, or otherwise of launching the motion. It is quite true as he quoted the remarks I made then, that I took the position that there was a report of this tribunal very solemnly constituted, as my right hon. friend will remember.

Sir WILFRID LAURIER: Very solemnly constituted.

Mr. CROTHERS: Very solemnly constituted, by a special Act of the legislature. I took the position that so long as that report stood we were warranted in concluding it was right, and that if there was any objection to it it was the duty of the person chiefly involved to take steps to have it set aside.

Mr. PUGSLEY: How could that be done?

Mr. CROTHERS: I was just going to refer to that. My hon. friend from St. John (Mr. Pugsley) took the position then that he knew how it could be done, and he told us he had already taken steps before the courts to have it done. He told us that he had already issued a writ in the courts of New Brunswick asking for certain accounting which would bring before the courts the whole matter that was investigated by that commission. I am advised, however, that he never went any further than issuing the writ. My right hon. friend (Sir Wilfrid Laurier) was quite right in citing some remarks I made on that occasion, but he is quite wrong when he says the

whole motion rested on the report and not on the evidence. He will remember very well that we had all the evidence before Parliament at that time and that the hon. member for St. John had it in his possession, but refused to refer to it.

Mr. PUGSLEY Who had the evidence?

Mr. CROTHERS: My hon. friend from St. John (Mr. Pugsley).

Mr. PUGSLEY: I refused to refer to the evidence?

Mr. CROTHERS: Yes.

Mr. PUGSLEY: My hon. friend's memory is entirely wrong. I demanded that the evidence should be quoted.

Mr. CROTHERS: I have my hon. friend's speech under my hand. If he will refer to page 5710 of Hansard for 1909 he will find:

> Mr. Pugsley: Mr. Speaker, before recess I was pointing out some statements contained in the report, which statements show how little reliance is to be placed upon this report. I am doing this without troubling the House by referring to the evidence. I may say I could not refer to the evidence even if I desired to do so because I have not been able to obtain a full copy. I have copies of, I think, two volumes, but have not been able to obtain the rest.

There were only two volumes, and the hon. gentleman admitted he had two volumes, so he had the whole of the evidence; therefore he said, in so many words "I will not refer to the evidence at all."

Mr. PUGSLEY: Will my hon. friend pardon me a moment?

Mr. CROTHERS: Not unless you ask me a question. I do not want you to make a speech. You will have an opportunity when I sit down.

Mr. PUGSLEY: I simply want to correct my hon. friend.

Some hon. MEMBERS: Order.

Mr. PUGSLEY: I rise to a point of order.

Mr. CROTHERS: What is your point of order?

Mr. PUGSLEY: My point of order is that my hon. friend is making a statement which is not in accordance with the facts.

Mr. CROTHERS: That is not a point of order.

Mr. PUGSLEY: As a matter of fact I had certain of the evidence. I also stated that the provincial government had been requested to lay the entire evidence upon the table of the provincial legislature, which they had refused to do——

Some hon. MEMBERS: Order.

Mr. PUGSLEY—and I quoted from all the evidence I had available.

Mr. CROTHERS: I have my hon. friend's speech before me, and there is no quotation whatever from the evidence throughout the whole of it. I remember very well that the present Mr. Justice Crocket, then a member of this House, followed my hon. friend. Reference to his speech will corroborate what I am saying. He said that the hon. member for St. John admitted having two volumes of the evidence, and that there were only two volumes, and that the hon. member did not refer to any portion of the evidence in his speech. I have read the speech very carefully and if any hon. gentleman in this House is sufficiently interested in this matter to look it up in Hansard he will find that my hon. friend did not refer to the evidence at all, although he had the whole of it in his possession. The present Judge Crocket also had the evidence. My hon. friend from St. John spoke for four hours and a half on the subject, without referring to the evidence once. Mr. Crocket spoke for five hours and a half and is reported in 69 columns of Hansard, a large portion of which is taken up with extracts from the evidence. Yet, notwithstanding these facts, my right hon. friend (Sir Wilfrid Laurier), either through inadvertence or lack of memory states that this motion went forward in the House in 1909 without any reference to the evidence.

Sir WILFRID LAURIER: That is what I said.

Mr. CROTHERS: But, that is not the fact. The fact is, as appears by Hansard, that the present Judge Crocket cited column after column from the evidence.

Mr. PUGSLEY: He referred to the evidence after I had done so. His reference was in answer to mine.

Mr. CROTHERS: My hon. friend from St. John never referred to the evidence at all. I would like to say a word in reply to what my hon. friend from Carleton (Mr. Carvell) said in regard to the evidence. I admit he is a good lawyer, and has enjoyed a large practice for many years. He will agree with me, I think, that on a question of evidence a court of appeal will not consider a matter where there is a conflict of evidence, or where it is a question of the

weight of evidence. This is especially so in regard to the finding of a jury, which has the advantage of seeing the witnesses, of observing their manner in the box, and so on. So far as my memory goes, however, it is not the practice in a case where there is absolutely no evidence.

Mr. CARVELL: I hope my hon. friend does not contend that is the case in the Galt report?

Mr. CROTHERS: Yes, I do. If my hon. friend has read the evidence at all—

Mr. CARVELL: I have

Mr. CROTHERS: —and the findings of the two judges who considered the matter in Montreal. They did not discuss it as a conflict of evidence; they said that there was absolutely no evidence to warrant the inference drawn; that there was no direct evidence at all, and no evidence warranting the inference. They did not rule on a question of weight of evidence, but they ruled that there was no evidence warranting any such inference.

Sir WILFRID LAURIER: My hon. friend remembers and admits that he introduced the resolution of censure against the hon. member for St. John (Mr. Pugsley) in 1909. He spoke of everybody's speech except his own.

Mr. CROTHERS: No, I spoke of mine.

Sir WILFRID LAURIER: You spoke of the speeches of the hon. member for St. John, and of Mr. Crocket, now Judge Crocket.

Mr. CROTHERS: I admitted that you correctly quoted what I said on that occasion.

Sir WILFRID LAURIER: My hon. friend took a position exactly the reverse of his position to-day. In presenting his motion he took this position: I refuse to look at the evidence; here is the judgment of a court of law, I shall not go beyond the judgment; upon that judgment I ask a vote of censure upon the hon. member for St. John. My hon. friend (Mr. Pugsley) very properly said: This is not the judgment of a court but only the opinion of Mr. Justice So-and-So, and I am prepared to say that in many respects the opinion of the commission is in error. Then there was a discussion between the hon. member for St. John and Mr. Crocket revising the evidence adduced before the commission. If I drew attention to that it was simply to say that the opinion held at that time by the gentlemen now sitting on the Treasury benches was that a commission of that kind was a court of law, that its finding was the judgment of a court of law, and that if it was such a judgment, it could not be revised by this Parliament. But all of this is now discarded; it is sophistry; the commission of Mr. Justice Landry was not a court of law, the commission of Mr. Justice Galt was not a court of law. The commission of Mr. Justice Tellier and Mr. Justice McLeod was not a court of law, but simply a commission of gentlemen entrusted to do what Mr. Justice Galt was entrusted to do, to investigate certain facts. He made the investigation; he had witnesses brought before him; he could have reported to the Government without an expression of opinion, but he expressed an opinion.

Mr. CROTHERS: The question between my right hon. friend and me is not anything about Judge Galt. The question is whether he stated that we did not use the evidence at all on the motion made in this House in 1909, and if he did make that statement, was it correct?

Sir WILFRID LAURIER: I say that my friend who made the motion never used the evidence.

Mr. CROTHERS: That is not the question. You said the evidence was not used.

Sir WILFRID LAURIER: That was the question as presented to the House, but my hon. friend from St. John riddled the speech of the Minister of Labour; he showed that the commission was not a court of law or its findings a judgment, but that its finding was only the opinion of Mr. Justice Landry and of gentlemen associated with him; and he proceeded to riddle the report made, and there was a controversy between him and Mr. Crocket. No one pretended—I never pretended—that the opinion of Mr. Justice Galt was final. It was simply the opinion of Mr. Justice Galt, a man of high character, at one time an eminent member of the bar, a man selected by the Government to be a justice of the court of Manitoba—and I think it was a good appointment according to everybody. He gave his opinion. But I never contended that the opinion of Mr. Justice Galt was final; it could be discussed and it will be for Parliament, or for the Legislature of Manitoba primarily, to determine whether or not the report is well founded. The Government have taken the position that the opinion of Mr. Justice Tellier and Mr.

Justice McLeod is final; but their opinion has no more weight than the opinion of Mr. Justice Galt. It has to be laid upon the table of the House, it has to be discussed by the House, because it is the result of action taken by the Government, and the Government having taken that action, rightly or wrongly, the result is subject to be revised by this Parliament. But between the report of one judge and the report of two judges, there is no difference whatever. When my friends say that the judgment of Mr. Justice Galt has been revised by a court of higher jurisdiction, that is all sophistry and fallacy. Mr. Justice Tellier and Mr. Justice McLeod occupy no higher standing than Mr. Justice Galt. What is the chief justice of any court? He has no more power than any other judge; he has the same rank and standing. The only difference between one report and the other is that, in the case of the latter commission, the late Minister of Public Works was a party to choosing the two men who sat upon the report of Mr. Justice Galt.

Mr. CROTHERS: My right hon. friend, by making a long speech concerning Mr. Justice Galt, cannot get away from the statement made the other day and repeated to-day.

Sir WILFRID LAURIER: Which?

Mr. CROTHERS: That there was no reference to the evidence on the motion made in this House in 1909—that we did not rely upon the evidence. That is not according to facts, although the right hon. gentleman has repeated it to-day.

Sir WILFRID LAURIER: We may discuss that.

Mr. CROTHERS: You find in Judge Crocket's speech column after column of references to the evidence. My right hon. friend knows that, and yet he said in the House a month ago, and repeated to-day, that our motion was not founded on evidence, and that there was no reference to the evidence.

Sir WILFRID LAURIER: If you pass me the volume I shall quote your own words.

Mr. CROTHERS: I admit that I launched the motion, and that I had not the evidence before me; I made my speech on the report.

Sir WILFRID LAURIER: That is what I said the other day.

Mr. CROTHERS: But it does not follow from that that the motion was not supported by evidence. It was supported by evidence quoted by Mr. Crocket during four and one-half hours. When the statement is made that it was not referred to by Mr. Crocket, although he had it in his possession, the inference is that he knew his statements would not be corroborated by the evidence.

Sir WILFRID LAURIER: The inference is that my hon. friend had the evidence and would not use it because it was against his own motion.

Mr. MURPHY: What was said or was not said, what was done or not done, in 1909 will not answer the question asked by the hon. member for Halifax (Mr. A. K. Maclean). This discussion arose out of that hon. gentleman's question. He asked what authority the Government had for asking this House to pay the $5,500 set out in this item. The Secretary of State (Mr. Meighen) replied that the Government had the authority of Parliament. When pressed he explained that by that reply he meant that Parliament had passed the Inquiries Act and that, as the Commission which whitewashed the late Minister of Public Works was appointed under the Inquiries Act, therefore the Government had the authority of Parliament for doing what it did. My hon. friend the member for St. John joined issue with the Secretary of State upon that reply, and I submit that the position taken by the hon. member for St. John is entirely correct, and that it is borne out by the terms of the submission or reference to the McLeod-Tellier Commission. I have not the terms of the Order in Council here—the Secretary of State referred to them— but I have under my hand the report of the judges Tellier and McLeod. The first paragraph of that report recites the facts and circumstances relating to their appointment, and referring to the Order in Council appointing them, which was based upon the Inquiries Act, they state that by that Order they were empowered and directed to conduct an inquiry and investigation for the purpose of reviewing and considering the evidence taken by Mr. Justice Galt, and to review and consider his report and findings on such evidence, and to report whether such evidence sustains or supports the findings of the said Commissioner as set forth in such report in so far as they reflect upon or prejudicially affect the honour or integrity of the Honourable Robert Rogers, or the honesty of his dealings or transactions.

The very terms of the Order in Council appointing the Commission, I submit, bear out the contention of the hon. gentleman from St. John that, in this case, the Government is straining the Inquiries Act beyond its uttermost limits when it seeks to justify itself in asking this House to vote a sum of money to pay these gentlemen for the services they rendered in connection with this Commission. Obviously, as the hon. gentleman from St. John pointed out, the Inquiries Act relates only to matters over which this Parliament has jurisdiction. This Commission was not appointed to consider anything of that kind. It was appointed to consider matters arising out of Mr. Rogers' connection with other things, when he was a member of another Government, before he came to Ottawa at all. I submit, the very terms of the Order in Council itself, which are referred to, and briefly extracted in the first paragraph of the Tellier-McLeod report, establish the soundness of the position taken by the hon. gentleman from St. John, and justify the question asked by the hon. gentleman from Halifax.

Mr. A. K. MACLEAN: I cannot understand why the matter of the report of Mr. Justice Landry, of the Supreme Court in New Brunswick, should be referred to in connection with this vote. Neither do I understand why the matters which were the subject of a debate in connection with that report should be dragged into this discussion.

There is obviously a great distinction between the two matters. In the discussion upon the New Brunswick report, the conduct of the present member for St. John—formerly a minister of the Crown—was in question. It is true it had relation to matters which occurred in the administration of provincial affairs. This Parliament is supreme in anything in reference to the conduct of a member of Parliament. It might be quite competent for this House to declare that the conduct of a sitting member at any time in his career was of such a nature as to debar him from sitting in the House, and in that respect and for that reason, it might be contended at least that this Parliament had absolute jurisdiction to discuss such matters, and that they might do so with propriety. But this case is altogether different. The judgment of Mr. Justice Galt was not questioned in this Parliament. It was not a subject of discussion here. No charges were preferred against the late Minister of Public Works, Hon. Mr. Rogers, in connection with his administration of public affairs in the province of Manitoba. Nobody here in Parliament asked for the appointment of a parliamentary committee, or moved that it be referred to a commission of judges. He was not asked to defend himself in this House. Parliament never asked for the appointment of a commission. The Government appointed the commission themselves, and I say they had no right or authority to do so and it was absolutely improper. Nothing has been gained by the appointment of the commission. The report does not illuminate the matters at issue in the province of Manitoba. The late Minister of Public Works was to blame a great deal in not being represented at the inquiry in Manitoba. He should have been represented by counsel. The inquiry at Montreal the other day was an ex parte affair. The Government of Manitoba denied the jurisdiction of the commission to make the inquiry—at least they denied the propriety of the inquiry. I say that, on no ground whatever should we be asked to vote this money. If Parliament had asked for an inquiry, all very well and good, we probably should pay the expenses of the commissioner. Parliament never asked for the appointment of a commission; it was the former Minister of Public Works himself who asked the Government to appoint such a commission. I submit that it is an unjustifiable thing for Parliament to vote this $5,000. I say, further, the committee should not be asked to vote it, and I move that this amount be struck from the resolution.

Mr. R. B. BENNETT: Parliament is the custodian of the honour of its members, and the Government to that extent represents Parliament. A minister of the Crown, and a member of this House, had been found, by a tribunal appointed by the province of Manitoba, to be guilty of certain grave offences, which, if true, would disentitle him, in my judgment, to occupy an office under the Crown, or possibly a seat in this chamber. This Parliament, through its Government, appointed this commission. Every member of this House acceded to the request of the hon. member for an enquiry when he pointed out that these charges had been made, and that these unfounded conclusions had been arrived at by the tribunal who considered them. He asked, not so much that the evidence be reviewed, as that two men of eminence should determine whether or not there was any evidence upon which he could be found guilty of the charges made. It is common

ground, it seems to me, to every lawyer in this House, that when a verdict is reached by a jury against evidence you may go to the Court of Appeal, and when the verdict is against the weight of evidence you may go to the Court of Appeal, and in either of these two cases you must consider the question of the sufficiency, so to speak, of the evidence to establish the charges. But there is another ground common to all members of this House engaged in the practice of the legal profession, and that is whether or not there is any evidence at all to submit to the jury, and if there be no evidence to submit to the jury any judgment founded upon that state of facts must inevitably be set aside. Within he last two years I presented unsuccessfully to the Supreme Court here, on behalf of the appellant a case in which the Grand Trunk Pacific was the respondent and in that case the learned judge had left to the jury the question of negligence. The issue in the Supreme Court was whether or not there was any evidence at all to go to the jury upon that issue, and the court here held that the mere fact that the ladder had slipped was not in itself evidence of negligence, and therefore the verdict of the jury, and the judgment of the court based upon such verdict, must be set aside, because there was no evidence to go to the jury.

They did not enter into any discussion with respect to the credibility of the witnesses; they did not enter into any discussion of the character of the evidence; they merely determined, on a perusal of the record, that there was no evidence whatever to leave to the jury. In this case the Government of this country, speaking for every member of Parliament, determined that the accused minister, in view of the statements made by him, was entitled to have a court of appeal determine whether or not there was any evidence to be left to the jury. Two gentlemen of eminence, one the Chief Justice of New Brunswick and the other an ex-Justice of Quebec, reviewed the evidence, went over the findings, considered the conclusions. Any lawyer in this House, however biased his opinion, or however prejudiced his views may be, will agree that in the testimony referred to in the report of Mr. Justice McLeod and Mr. Justice Tellier there is not a single scintilla of evidence upon which an appellate tribunal would determine that there was any evidence to go to the jury. Of course, as the member for Halifax (Mr. A. K. Maclean) has said, the ex-Minister of Public Works should have been represented, but he was not. Serene in the consciousness of his own innocence with respect to the charges preferred against him, he was willing that the matter should be heard without his being represented by counsel. Having regard to the circumstances, and to the high state of party feeling which prevailed at the time of the hearing before Commissioner Galt, the judges who sat as the appelate court properly concluded that the views of counsel had obtained over the evidence. The counsel who presented the case on behalf of the province did it so powerfully and so strongly that they were able to convince the learned Commissioner Galt that certain charges had been well preferred; that they had been established to his satisfaction.

Hon. gentlemen in this House must put themselves in exactly the same position as that in which the ex-minister found himself. Unfounded in fact, without a scintilla of evidence, without there being a line of testimony to support it, the conclusion arrived at by a tribunal properly constituted by the province of Manitoba was that there was evidence of guilt, when in fact there was none. Would hon. gentlemen not expect the Government of the day, under these circumstances, to ask that a commission be appointed for the purpose of reviewing that testimony—not of reviewing it in the broad sense of the term, but to determine really whether or not there was any evidence that might be left to any jury to which a man might with safety and confidence appeal in respect of the charges preferred against him? I do submit that this item should be carried. This expenditure was properly incurred. The case of one ex-Minister of Public Works may be the case of some other gentleman to-morrow; it might well be the case of some other gentleman now. This Parliament, under all constitutional usages and precedents, being the custodian of its own honour—the Government being the mouthpiece of this Parliament—must ever be on the alert to protect the reputation of its members from assaults that may be made against them under the stress and strain of bitter partisanship. Is it reasonable, at a time when the prejudices of men's minds were excited by certain revelations in Manitoba, that, Mr. Rogers, simply because he had taken a very active part in the elections and had been a member of the Provincial Government, should be charged with malfeasance and maladministration, and stripped of his reputation? Is it rea-

sonable that this conclusion should be arrived at upon an accumulation of a vast quantity of evidence that directed itself to no particular point or against no particular facts?

But it is not the late Minister of Public Works that we speak of; it is the man who occupies a position of trust and authority under the Crown. Hon. gentleman opposite themselves would like to—and may—occupy similar positions. They must put themselves in the position in which Mr. Rogers was placed; they must put themselves in the position of hon. gentlemen who are anxious to maintain the dignity and honour of this Parliament. Undoubtedly, had the conclusions of Mr. Justice Galt stood, Mr. Rogers would not have been considered a fit person to occupy office under the Crown and to sit in this House. The same considerations should obtain to-day as those which induced the House of Commons in days gone by, both in Great Britain and in Canada, to expel from its membership men who should not sit in it because they were not fit to do so. The considerations that sent Lynch from the Imperial Parliament and Riel from this Parliament on the motion of Sir Mackenzie Bowell, still prevail. It is still within the constitutional right of a member of this House to stand in his place and move the expulsion of a fellow member on the ground that he is unfit to sit in the House or to hold office under the Crown. The ex-Minister of Public Works was improperly and unfairly charged with offences which were not proven. I can readily understand, however, that the then commissioner might conclude that these charges were established, having regard to the criminal proceedings that were then being had against ex-ministers of the Crown and to the state of excited public opinion that had arisen because of wrong-doing in Manitoba. Mr. Justice Galt arrived, then, at conclusions with respect to Mr. Rogers and those conclusions have been determined to be without the support of a single scintilla of evidence or vestige of testimony. It seems to me that with a larger aspect and a wider view, hon. gentlemen opposite should look on this case not as the case of Mr. Rogers, not as the case of an individual, but as the case of a member of this House, a minister of the Crown, who is charged with offences which were not proven, with wrong-doing which was not established, with malfeasance and maladministration of which there was no evidence.

[Mr. R. B. Bennett.]

No man in this House, no speaker on a public platform, no newspaper has been so bold as to say that in the whole of the record of the proceedings before Mr. Justice Galt, there was a single line that pointed to the conclusions at which the commissioner arrived. That is a fact that should be kept in mind. Eminent lawyers, not associated with the party with which I have been associated, read the testimony with care, and not one of them has said that a single line of the evdience established the conclusions against Mr. Rogers This House should be proud and glad that we have in power a Government willing to spend a few thousand dollars in order that one of our fellow members, one of the ministers of the Crown, holding a high office and enjoying a position in which he has the confidence of his Sovereign, should be given an opportunity before an unbiased tribunal, not to present new testimony, but to have the former testimony reconsidered. The commission appointed to review the findings of Mr. Justice Galt made it clear that upon the closest scrutiny and the most careful examination of the record, there was not a single word, a scintilla of testimony, upon which to base conclusions that were arrived at.

Mr. CARVELL: In view of the most remarkable statements made by the Minister of Labour (Mr. Crothers) and by the member for Calgary (Mr. R. B. Bennett) who is half in and half out with the Government—

Mr. R. B. BENNETT: No, he is all out.

Mr. CARVELL: I want to second the proposal made by the member for Halifax (Mr. A. K. Maclean), and I do so with the very greatest sincerity. When the Government ask the people to pay $5,500 to meet the expenses of reviewing the findings of Mr. Justice Galt on the ground that there was not a scintilla of evidence—to quote the expression used by the member for Calgary at least three or four times—to justify that finding, before I vote for the payment of this money I am going to demand a chance to investigate that matter and to discuss it in this House. I have persistently opposed the public investigation in the House of Commons, of the Hon. Mr. Rogers' affairs in Manitoba. We have passed through a session of six or seven months since these reports became public and from this side of the House not one word has been stated in reference to it, and there has been no condemnation of Mr. Rogers.

Mr. R. B. BENNETT: There has been in the press.

Mr. CARVELL: That is not our fault. We have refrained from discussing Mr. Rogers' position, and up to the present time we have decided to take that course. We believed, when Mr. Rogers resigned and quietly slipped out of the Government, that would probably be the end of the matter, and perhaps it was better to let him rest in peace. But if our friends want us to vote an amount of money—it is true it is not very large, but the principle is the same—to pay for a whitewashing report over Hon. Mr. Rogers on the ground that there was no evidence whatever to justify Mr. Commissioner Galt in making his findings, then I say that, before I vote for it, I am going to demand the right to discuss the evidence in the most public manner; and I think I can convince my hon. friend from Calgary that there is more than a scintilla of evidence, indeed, that there is a mountain of evidence, to justify Mr. Justice Galt in the report he made. In that case, this item should stand until we have an opportunity to discuss the matter, and we will then try to convince hon. gentlemen opposite who clapped their hands at the statements of the hon. member for Calgary, and some of whom have not read a line of the evidence, that there was ample evidence to justify Mr. Justice Galt in his findings. We will then discuss the matter and give the whole story, and show those hon. members and the people of Canada that there was no justification for reviewing that evidence. There was ample evidence on which to make a finding—so much evidence that no other finding could have been made than that made by Mr. Justice Galt. We, therefore, demand that this item stand until we have an opportunity to discuss the matter.

Mr. MEIGHEN: Personally, I accept the findings of the last and highest tribunal on the subject, but it is not because that tribunal has found that there is no evidence to support the findings of the lower tribunal that we asked that this vote be passed.

Mr. CARVELL: That is what we are told by the Minister of Labour and the hon. member for Calgary.

Mr. MEIGHEN: The hon. member for Calgary said that there was no evidence, but he did not say that was why we asked that this vote be passed. We would have asked that this vote be passed if the findings of Mr. Justice Galt was justified, just the same as if it was not. The position here is one of the outgrowths of the constitution of this country. We are not constituted, as Great Britain is, with a single Parliament; we are a federal Parliament, and we have nine provincial parliaments, all of which have plenary jurisdiction within their spheres. The consequence is that any provincial parliament may appoint a commission of inquiry, a semi-judicial commission, and that commission may investigate the conduct of a minister of the Crown of Canada, either while he is minister or before he became minister. They have power either way. That commission of inquiry may come out with a report which may reflect in the most grave and serious manner on the common honesty and honour of a minister of the Crown of this Dominion. That has been the case already in more instances than one in Canada. That being the case, and such a report coming out and being made a public report of a semi-judicial character, what is to be done by the Government of Canada and by the Parliament of Canada? Only two courses are open. The one course is to ignore it; to blind our eyes to it; to say that we have nothing to do with that report whatever; that we do not care what that semi-judicial judgment says; that it may declare that this man is a thief or a murderer, but that we have nothing to do with that report; that we pay no attention to it; that we do not care whether it blasts the reputation of this man throughout Canada or not; that we do not care whether it undermines his consequence or his influence as a minister of the Crown or not; that we turn our backs to it and shut our eyes to it, and let it go. We have another course. We may have an investigation; we may have a review, and if we have a review at all, we should have it before such a tribunal as would be looked upon by the country generally as being higher in status, more disinterested and more entitled to public confidence than the first. Unless we do that, we might as well not have a tribunal at all. That is the second and only other course, for the reason that there is no way of submitting the judgment of the first commission of inquiry to any court of the land. If we tried to bring it before a court of the land, we should immediately be told: This court of appeal has no jurisdiction; we can do nothing with the judgment of Mr. Justice Landry in New Brunswick; we can do nothing with the judgment of Mr. Justice Galt in Manitoba. There is no

judicial tribunal competent to review the findings of that court of inquiry appointed by a provincial legislature. Therefore, if there is to be a tribunal, it would have to be established by this House. There are only those two courses. The one is to permit a minister of the Crown, if he be such, or a member of this House, if he be such, to lie under the shadow of that finding without any appeal at all; to place him in the position of a man charged with theft or murder and to deny to him the right of the ordinary citizen of Canada. We could take that course, or we could take the only other course, namely, to establish a tribunal of the same nature as the one that found against him, but higher in status, and to submit to that tribunal for review and appeal what was submitted to the first.

I ask the members of this House to compare the wisdom of the two courses. Suppose we adopted the first course. Is it fair, honourable or just? Is it fundamentally right or sound? We are told that it does not concern this House; that it does not concern the public affairs of Canada. I say that it vitally and fatally concerns both. I know nothing that comes so clearly within the purview of the Inquiries Act which says that we may make an investigation into any matter that affects the good government of Canada. Who would suggest that the impugned honour of a minister of the Crown of Canada does not affect the good government of Canada? It fundamentally and vitally affects it. No one in the world can compare the two courses. The one permits him to sit in this House of Commons as a minister of the Crown, while his honour is under the shadow of a finding of a tribunal appointed by a legislature or by a government of a province. Is that a right state of affairs? Is it just or fair? The other is the only course open—to seek to appoint a tribunal that will better command the confidence of the people than would the first tribunal, to submit the facts fairly to it and to ask it for a finding. It is suggested by the hon. member for Carleton (Mr. Carvell) that this tribunal was appointed to whitewash and that, pursuant to its appointment, it whitewashed the former Minister of Public Works. I do not think my hon. friend should make that statement. I do not appeal against the statement acting particularly for the ex-Minister of Public Works, but I do appeal against the statement standing by the honour and reputation of the eminent justices who reviewed the findings. I do not think there has been anything in the public career, in the judicial reputation, of Sir Ezekiel McLeod or Mr. Justice Tellier, that would justify any citizen of Canada—not to say, any hon. member of the House of Commons—to attribute to them the character of being whitewashers of public men. I do not think the chief justice of his own province will thank the hon. member for Carleton for describing him before the people of Canada as a tool of this or any other Government, or as a whitewasher of public men of any party, or as anything but an honourable and reputable judge.

It was stated, when this commission was appointed, that neither of the members of it was known to the hon. Mr. Rogers at all; that he had never so much as seen either of them. They were appointed solely because of their eminence on the Bench, and because upon inquiry they were found willing to undertake the work, and because of their disinterestedness in this particular matter, for they could not possibly be said to be swayed by any of the provincial partisan activities in the province of Manitoba.

Mr. R. B. BENNETT: They could not be influenced by what the judge called the "atmosphere".

Mr. MEIGHEN: By what was described by the trial judge as the "atmosphere" of the case. That was why they were appointed.

Mr. CARVELL: No.

Mr. MEIGHEN: I never saw Chief Justice McLeod or Mr. Justice Tellier in my life. I had heard of them both, and believed they were honourable and able judges. That was all that concerned me, and I think that is all that concerned any member of the Government. I should like to know who could have been selected from the Bench of Canada who would be described as able judges fit to review the evidence, if not the men selected. Who would not be described as whitewashers, if these men are to be described as whitewashers? The only alternative was to ignore the finding of Mr. Justice Galt altogether, and allow a minister of the Crown of Canada to rest in a position inferior in matter of right to that of the commonest thief or murderer in this country. Every man is entitled to an appeal. The humblest citizen of this country, of any class or race, if he contends that no evidence was submitted to substantiate the finding of the judge or jury, is entitled to an appeal from any court in the land. And upon what

principle could an appeal be denied to a minister of the Crown? He could not go before the courts, and the only way to grant him an appeal was to establish a tribunal to hear that appeal, and that is exactly the course that was taken. The tribunal was established under the Inquiries Act, which directly empowers us to take that action. And, having taken that action, no matter whether the tribunal's finding may be favourable or otherwise to the minister concerned, surely it is in the interest of this country that the appointment of that tribunal be ratified and its expenses paid.

It was argued further that what we have to debate now was whether there was a scintilla of evidence or not. I do not think we have to debate that at all. I think that when a Provincial Commission impugns and maligns the character of a minister of the Crown, Parliament cannot shut its eyes to that fact, and pending investigation, if such is to be had, the minister should be relieved from the performance of the duties of his office. That is precisely the position we took in 1909, and that is the position we take to-day. Hon. gentlemen then contended that it should not be a judicial tribunal that should review the findings of the first tribunal, but it should be the two partisan sides of the House of Commons. Hon. gentlemen were then content to allow a minister of the Crown to rest for the meantime under the shadow of the finding of Mr. Justice Landry of the Court of New Brunswick, and the Minister of Public Works of that day remained a minister of the Crown simply because the partisan majority of this House decided that he was right and Mr. Justice Landry was wrong. Is that a better course than the course we pursued? We erected, on the contrary, a tribunal which is judicial, which is not swayed by partisanship from either side, which has been long divorced from the atmosphere of partisanship in Canada. We appointed a judicial, and not a legislative or a partisan, tribunal. We submitted the case to them, and we asked them not to weigh the evidence of one man against the evidence of another—that is not the province of an appeal tribunal at all—not to find whether Smith gave false evidence and Jones gave true, but to ascertain whether Smith or Jones gave evidence upon which that judgment could stand. That was the wording of the Order in Council; that was the intent of the Order in Council, and that and nothing else is what the Order in Council meant. The evidence was submitted. No new evidence was taken, but a statement was made by the Minister of Public Works, at his request, I believe. If evidence had been given which in the judgment of the commissioners supported the finding of Mr. Justice Galt, they would have so found. But they reviewed that evidence with the assistance of council; they went over it line by line, and then they came to the conclusion, no matter what conclusion any man in this House might come to, that there was no evidence that should have gone even to a jury in that case—no evidence at all to support the finding.

Had they reported differently the item before this House would be just the same. The tribunal then would not be impugned by hon. gentlemen opposite; I have no doubt that in that case they would have lauded the tribunal. But this vote would have had to be taken just the same. It is not the finding that establishes the right to the vote, but the fact that the tribunal sat. That is why this vote is before the House.

Hon. gentlemen ask about counsel—why we should pay counsel to defend the ex-Minister of Public Works. We did not pay counsel who acted in any respect whatever for the ex-Minister of Public Works in that case. The minister employed and paid for his own counsel. He never submitted bills to this House or to the Government. This money is required to pay counsel appointed by the commission to assist them and to act in the interests of the people of Canada. We did not select counsel. They were selected by the commission. I do not know Mr. Teed, but my hon. friend from Carleton knows him, and he pretty generously gave him a certificate of ability in the House just now. A fair counsel was undoubtedly selected.

Mr. CARVELL: There is no doubt of that at all—good for the purpose for which he was selected.

Mr. MEIGHEN: His duty was to go through the evidence with the commissioners; to look up authorities, if necessary, with the commissioners; to go through exhibits with the commissioners; and to enable the commissioners, without unnecessary loss of time which to one of them at least was very valuable just then, to come to a conclusion whether the evidence was or was not there to sustain the judgment of Mr. Justice Galt. That is the largest item in this vote. The Bill has been submitted to the Justice Department, and I understand that the deputy minister thinks that

it is not unreasonable considering the work done.

Let me repeat that this money is not for the purpose of paying the expenses of counsel for Mr. Rogers at all. This man was counsel for the commission, and counsel for the people of Canada. He alone is being paid. Whatever counsel Mr. Rogers had, he paid for himself. I do not know that that course would be pursued by every other public man in this country. I do not know but that Mr. Rogers might have been justified, seeing that his honour was entirely vindicated by that tribunal, and seeing that the expenses he was put to were proven to be expenses to which he should not have been put, in submitting his bill of expenses to Parliament. But he has not done so; he has paid his bill himself.

Mr. CARVELL: I rather expected that my hon. friend would attempt to show that I was trying to vilify the Chief Justice of New Brunswick. As to that, I have nothing to say. The Chief Justice and I have known one another for a long time, and we get along all right, and therefore I do not propose to enter into any discussion of that branch of the case. But I want to say this: That knowing the Chief Justice of New Brunswick as well as I do, knowing his abilities, and knowing the abilities and relationship to him of the gentleman who was selected as his counsel, I have no hesitation in saying that if the people of this country had been represented, or if Mr. Justice Galt had been represented——

Mr. MEIGHEN: Mr. Justice Galt was asked by the commission to appear or to be represented, but he refused, and so did the Government of Manitoba.

Mr. CARVELL: And rightly so. I say that if any of them had been represented they would not have got the finding they did get from the Chief Justice of New Brunswick.

Mr. R. B. BENNETT: That is a prophecy, I suppose?

Mr. CARVELL: It is not a prophecy, because we cannot go over the case again. I am only saying that it would not have happened. The trouble is that the intention from the beginning must have been to obtain the finding that was obtained, and every means was taken which human ingenuity could suggest to obtain that finding, and every means was taken to prevent any other finding from being arrived at.

Mr. MEIGHEN: Why did the province of Manitoba refuse to be represented?

[Mr. Meighen.]

Mr. CARVELL: I do not know. I only ask why on earth did not this Government appoint somebody to represent the other side?

Mr. MEIGHEN: We did.

Mr. CARVELL: Who was it?

Mr. MEIGHEN: Mr. Teed was appointed by the commissioners.

Mr. CARVELL: I happen to know better than that. Mr. Teed was appointed to assist Mr. Justice McLeod in making his findings. I know what I am talking about; as a rule I do not make statements in Parliament that I cannot back up. Mr. Teed was not appointed to bring out the facts of the case at all, he was appointed to assist Mr. Justice McLeod. What I find fault with is that the Government did not appoint somebody to take the other side and to argue the matter. There was no argument; there was nothing put before the Commissioners except one side of the case. Mr. Lacoste, a very prominent lawyer of Montreal, or Mr. Montgomery, another prominent lawyer acted for Mr. Rogers. Mr. Teed was there assisting the Chief Justice of New Brunswick. There was nobody to represent the other side of the case. There was nothing said at all in the way of putting the case before the commissioners from the point of view of the other side.

Mr. MEIGHEN: Does the hon. gentleman say we should have employed counsel to present the case from the point of view of Mr. Justice Galt? If that be so we should have also appointed counsel to represent Hon. Mr. Rogers.

Mr. CARVELL: You should have appointed counsel to represent the public. What is the use of trying to cover it with narrow technicalities. Hon. Mr. Rogers was charged before a tribunal of the province of Manitoba with wrongdoing, and it was as serious a charge as was ever preferred against any public man in Canada. I agree with the position taken by the Solicitor General that, as long as that finding stood, Hon. Mr. Rogers was not properly a member of the Government, and I realize that something had to be done. At the request of Mr. Rogers a commission was appointed, but, the Government took no steps whatever in regard to ascertaining whether Mr. Justice Galt was justified in coming to his conclusions, but they took every means that could possibly have been conceived in order to prove that he was not justified in his

conclusions. That is what I find fault with. If the other course had been taken, if those portions of the evidence which justified Mr. Justice Galt in his conclusions had been brought before the commission, if able counsel had been there to argue the matter, I know Mr. Justice McLeod well enough to know that he could not possibly have come to this conclusion. I have read the evidence, and I have some knowledge of what I am talking about. When I say I have read the evidence I do not mean that I have read the newspaper reports of it—I am speaking of the actual evidence. When a man says there is not a scintilla of evidence, I can only say he has not read the evidence. I say the hon. member for Calgary (Mr. Bennett) has not read the evidence.

Mr. R. B. BENNETT: The hon. member for Calgary read the evidence as it came out from time to time.

Mr. CARVELL: The hon. member for Calgary never read the evidence, and if he had read the evidence he would not have made the statement that there was no evidence.

Mr. R. B. BENNETT: I read the evidence from day to day as it came out.

Mr. CARVELL: Newspaper reports of it.

Mr. R. B. BENNETT: The newspapers published verbatim reports of it.

Mr. CARVELL: But, I read the actual evidence, and I state again, if this matter had been properly argued and if the facts had been properly marshalled, not improperly marshalled, there would not be such a finding made by Mr. Justice McLeod. However this is getting away from the argument I was making a while ago. While the Solicitor General (Mr. Meighen) attempted to get away from the position in which he found himself by the statement of the Minister of Labour and the member for Calgary he stated they were creating this commission as a matter of principle, and therefore, no matter what the result was, we should pay the bills. But he had to come back to the fact that this commission found there was no evidence upon which Mr. Justice Galt could make these findings. After having read the evidence I am so opposed to that, and my whole sense of justice so revolts against it that I, for one, must demand that this vote be not passed until we have a chance to discuss the evidence in the House, and give the people of the country an opportunity of knowing whether they are justified in paying the bill.

Mr. R. B. BENNETT: Ever since a few misguided people concluded that the hon. member for Carleton had about him some semblance of statecraft, and might become an important individual in this country, he has arrogated to himself an importance he does not possess. He stands here this afternoon and coolly states to Parliament that he knows more than all the judges of Canada ever did know or ever will know. He tells us that when the court before which he has been accustomed to practise decides in his favour it is a good court, but when the conclusion it arrives at is not the one he would arrive at then the court is no good. He expects the people of Canada to take him seriously. He has become minister of war, or would become so in the near future.

Mr. CARVELL: That is more than the hon. member for Calgary could do, although he never tried anything so hard.

Mr. R. B. BENNETT: I desire to say to the hon. member for Carleton that that is not so. The hon. member for Calgary came into this House with a very distinct understanding as to what his position must be while he was here. Such a statement as that by my hon. friend cannot possibly be sustained. There is this to be said about my hon. friend, he has stood up in this House and told the people of Canada that he knows much more than the Chief Justice of the province of New Brunswick What a beautiful spectacle for a member of the bar; what a beautiful spectacle for a member of this House; what a beautiful spectacle for any public man who wishes to be taken seriously, to stand here in his place in Parliament, and for the sake of a little cheap political notoriety, for the purpose of endeavouring to make capital against a man who is not present, for the purpose of casting reflection upon a man who is no longer a member of the Administration, to tell us that no honest man could have concluded with Mr. Justice McLeod and Mr. Justice Tellier that there was no evidence to support the finding. According to his story, Chief Justice McLeod is dishonest. My hon. friend charged him here this afternoon with being dishonest. Will the hon. member for St. John (Mr. Pugsley) support that? Will he bear out the statement made by the hon. member for Carleton? My hon. friend (Mr. Carvell) says that no honest man could have arrived at the conclusion arrived at

by Chief Justice McLeod and Mr. Justice Tellier. Does my hon. friend from Montreal, St. James (Mr. L. A. Lapointe), say that Mr Justice Tellier is a dishonest man? Will he say that no honest man could have arrived at the conclusion Mr. Justice Tellier arrived at? Will any lawyer who practices at the bar of the province of Quebec say that Mr. Tellier is a dishonest man? Yet it remains for the hon. member for Carleton to say that no honest man could have arrived at the conclusion those two gentlemen arrived at. My hon. friend from St. John has known Sir Ezekiel McLeod for years. I have known him since I was old enough to know public men. Will my hon. friend from St. John admit that Sir Ezekiel McLeod is a dishonest man?

Mr. CARVELL: Would the hon. member like to lead us in prayer?

Mr. R. B. BENNETT: That would be something so entirely foreign to anything the hon. gentleman from Carleton knows anything about, that it would be useless to do it; however, I should say the words of the prayer he would use are so well known that it is unnecessary to repeat them. They would be those of the Pharisee: "I thank thee, Lord, that I am not as other men." I cannot possibly understand the hon. gentleman making the statement he has made with reference to the honesty of these gentlemen. One would think that he was counsel against Mr. Rogers and for the Hon. Mr. Justice Galt and in that capacity was saying "The conclusion the appeal court arrived at is rotten." When I was a young man and used to learn much from the hon. member from St. John (Mr. Pugsley)—

Mr. PUGSLEY: I am afraid you have gone astray.

Mr. R. B. BENNETT: No. I have never forgotten many of the lessons that I learned, but the lesson of urbanity I have never yet been able to learn. I have never been able to say "Thank you" with that same kind consideration that he does. I should like to, but I fear I never shall.

Mr. McKENZIE: You have not practised enough.

Mr. R. B. BENNETT: I have not, to the same extent. But this was a fundamental lesson, that courts of appeal sometimes decide against us. I can remember cases in which, as counsel, the hon. member for St. John sometimes buoyed me up with high hope that possibly we might succeed. I have known cases in which the hon. member for Carleton (Mr. Carvell) was interested in which we were buoyed up with high hope. When we succeeded before the trial judge, we went on, with hope still springing eternal in the human breast, to the court of appeal, and that court decided against us—and we were wrong, the trial judge was wrong. But it is not usual for counsel, in cases like that, to stand up and charge the tribunal with arriving at a conclusion which no honest man would arrive at.

Mr. PUGSLEY: Has the hon. gentleman not had experience that would induce him to believe that sometimes, after all, the judgment of the lowest court was the best judgment?

Mr. R. B. BENNETT: There have been cases in which we still thought so.

Mr. PUGSLEY: Yes.

Mr. R. B. BENNETT: But we were bound by the decision of the Appellate Court.

Mr. PUGSLEY: This is not a court of appeal.

Mr. CARVELL: And has not the hon. gentleman known of cases where a third or final Appellate Court has reversed the findings of the first Appellate Court? Therefore, would it not be well to appoint another tribunal to try the findings of the first appeal court?

Mr. R. B. BENNETT: Unfortunately, as the law stands, there is no provision for a higher tribunal.

Mr. PUGSLEY: Nor was there for this.

Mr. CARROLL: Does the hon. member agree with the Secretary of State that this Government had power, without a reference to Parliament, to appoint a second tribunal under the Inquiries Act?

Mr. R. B. BENNETT: I tried to make clear in my few remarks a moment ago why any tribunal was appointed. The Inquiries Act enables us to create machinery and, to issue, under the Great Seal, a commission to inquire into a question. The Inquiries Act is a part of the statute law of this country. It is there for that very purpose. Being there, we took advantage of the machinery of that statute for the purpose indicated by the Secretary of State (Mr. Meighen) and by myself, namely to determine whether or not the honour of this Parliament would in any sense be offended

through these charges against one of its members being supported by any evidence. That is all.

Mr. CARROLL: Does the hon. member not think that the Inquiries Act makes provision for the initiation of investigations of this kind, and not for courts of review?

Mr. R. B. BENNETT: What my hon. friend has said would certainly be entirely in order were it not for one fact, and that is that this was a provincial matter and the inquiry was with respect to wrong-doing alleged during the term of office of a provincial minister.

Mr. McKENZIE: It is the same King in Manitoba that we have here.

Mr. R. B. BENNETT: The only King my friend knows sits directly to his right, and I do not think he sits for Manitoba.

Mr. McKENZIE: There are greater things than these.

Mr. R. B. BENNETT: But the same King unquestionably, as my friend the judge (Mr. McKenzie) has said, but there is no appeal from the findings with respect to a provincial matter to another tribunal in that sense, so we had to create some tribunal to make the inquiry for this Parliament, and the inquiry it made was an inquiry de novo as to the extent to which, if any, there was any evidence upon which to predicate those findings.

Mr. CARROLL: Would it not have been better for the Government to have instituted an inquiry de novo to take the evidence either in Manitoba or here, probably by sending the judges to Manitoba, and then have counsel on both sides, and have the judges see the witnesses? Would that not have been the better course to pursue?

Mr. R. B. BENNETT: I am sorry to say that that course would have been entirely unconstitutional. It would not have been within the ambit of our powers to intrude ourselves upon matters which were purely provincial in their character. We have no right to make that inquiry.

Some hon. MEMBERS: Hear, hear.

Mr. R. B. BENNETT: That is exactly what I was desirous my hon. friends would say. They are angry and balked because a public man has not been permitted to lie under an unfounded and unwarranted aspersion upon his character.

Mr. SCHAFFNER: That is what is the matter with them.

Mr. R. B. BENNETT: That is the whole story, and I feel quite sure that, with the great wealth of experience that their right hon. leader (Sir Wilfrid Laurier) enjoys, he will be the first man to say that if any machinery can be created and put in motion that will make it clear, not to some other tribunal but to this Parliament, whether or not there is any foundation for the conclusion arrived at with respect to one of its members, that machinery should be used, and used promptly. To that extent it seems to me we are on common ground. Now they complain because the tribunal has found in favour of the hon. ex-Minister of Public Works. That is the whole complaint.

Mr PUGSLEY: There is no complaint of that.

Mr. R. B. BENNETT: I quite understand that the hon. member for St. John (Mr. Pugsley) has no complaint as to that, but I am talking now about the hon. member for Carleton and those who take that view.

Mr. CARVELL: I made no complaint whatever. I care nothing whatever. I complain because we are called upon to pay $5,500 for something that was none of our business, but a purely personal matter between Mr. Rogers and his friends in Manitoba.

Mr. R. B. BENNETT: Let me give an analogy. I am a member of a club. The question of the expulsion of members of clubs engages the attention of the courts in England more than it does here, but it occasionally does so here, as for instance in connection with the Garrison Club of Quebec. This House of Commons is a club. The people have elected us here. The analogy is complete, and this club of members has the right to expel from its membership any member against whom charges are preferred or findings made that would indicate that he was unfit to be a member of this Parliament, or this club.

Mr. McKENZIE: In dealing with members of clubs, is it not a judgment of the members of the club itself that is passed upon the erring member, if he does err?

Mr. R. B. BENNETT: Precisely, except that the committee of the club is usually charged with the duty of making investigation.

Mr. McKENZIE: Messrs Justice McLeod and Justice Tellier are not members of this club.

Mr. R. B. BENNETT: But Parliament constituted them a committee to act and to determine that matter because they are judicial in their character, and this club, unlike the ordinary social club, is torn into two or more factions by political differences.

Mr. McKENZIE: But from that you must not presume that this Parliament would not fairly try one of its members. That is a wild presumption.

Mr. R. B. BENNETT: I am not making presumptions of that character, but I am sure any judicial inquiry is to be preferred to one by members torn by distracting questions and partisans in their character admittedly, as we are—and no man has made a stronger statement in respect to that than the hon. member for North Cape Breton (Mr. McKenzie).

This House, under the authority of the Inquiries Act, has seen fit to create a small committee, consisting of two eminent judges, and charged them with the responsibility—not as my hon. friend suggests, of going down to Manitoba and inquiring into a provincial matter—but of determining whether or not, on the evidence given before that tribunal, there was any evidence to go to the jury of the guilt of the person charged.

Mr. McKENZIE: If there is any objection to the commission composed of Chief Justice McLeod and Mr. Justice Tellier going into the province of Manitoba, there is ample provision, under the Inquiries Act, to bring the evidence here. Let them sit here.

Mr. R. B. BENNETT: My dear, learned and honourable friend, the ex-judge, is too astute a man, too subtle-minded for a single moment to think it was a question of geography I was dealing with. I was dealing with jurisdiction, and he knew it as well as I knew it. He knew that this Parliament should not be intruding itself into provincial matters that affected provincial administration only.

Mr. McKENZIE: My hon. friend, who is a big lawyer—

Mr. R. B. BENNETT: No, not now.

Mr. McKENZIE: —says they would have no jurisdiction if they heard the evidence de novo, but they have jurisdiction if they read the evidence and report. Is that the logic of my hon. friend?

Mr. R. B. BENNETT: No, no. My hon. friend knows what I mean. I can see by the colour of his face that he appreciates the position.

Mr. McKENIE: It is past me, I cannot understand it.

Mr. R. B. BENNETT: The hon. gentleman knows it is purely a question of jurisdiction. The Legislature of Manitoba has plenary powers, and this Parliament, under its constitution, also has plenary powers. The Legislature of Manitoba create a commission to inquire into the administration of its own affairs.

This Parliament has nothing to do with the administration of the Public Works Department of Manitoba, but has to do with the honour of one of its members, and, based upon the assumption that a member of this House had been found guilty of malfeasance in his administration in the provincial government—that having been certified to as a fact—this Parliament created the tribunal to consider whether or not any evidence had been adduced which would justify such finding, the accused having said that there was no evidence to justify it. This Parliament has no right to go down to the province of New Brunswick, and to inquire into the Public Works Department there. If it did, it would have a lively time, but it would have no power to do so.

Mr. PUGSLEY: During the last five years there would be considerable to investigate.

Mr. R. B. BENNETT: The administration of the last five years would not compare with the administration of the days long past.

Mr. CARVELL: They are not doing badly as it is.

Mr. R. B. BENNETT: And as long as it continues my hon. friend from Carleton will find some scope for his activities, and will be able to earn a good fee. But I want to emphasize the fact that we, as a Parliament, could not inquire into the Public Works Department of Manitoba, and that one of our members having been assailed, and found guilty of an offence in Manitoba, it became our duty to determine whether we should let it go, or have a decent and proper tribunal review the finding and determine whether there was any evidence to sustain it. That tribunal has declared there was no evidence, and now against that finding, the hon, gentleman from Carleton says no honest man should have so found it. Is that a proper way in which to approach this matter? I am sure the hon. member for St.

John would have been better pleased, his reputation as a public man would have stood much higher in years to come, and the perspective would have been better when the history of our country is written, when we are long gone, if a proper tribunal had reviewed the Landry report, rather than that a partisan majority should vote that these charges against him were wholly unwarranted. The Landry report found the member for St. John guilty—he says falsely. The report to-day stands uncontroverted.

Mr. PUGSLEY: And the Government counsel said it was false.

Mr. R. B. BENNETT: But it stands to-day. The hon. gentleman sits in this House with that finding against him. Whenever he rises in his place to speak in this House, he speaks as one against whom a finding has been made, and why? Because the Government of the day never appointed a tribunal to inquire whether or not there was any evidence to warrant that finding, and the reason is because they dare not do so. That is the whole story. Everybody knows that. The partisan majority stood up, and said: "We shall have no investigation, let the false charge stand against him forever," and he stands in the eyes of public men of this country for all time, in successive generations, as one who is guilty.

Mr. PUGSLEY: And never whitewashed.

Mr. R. B. BENNETT: Never whitewashed, because whitewashing would be absolutely useless. No process of whitewashing would accomplish any result. There it stands forever. That is not the course that was pursued by the ex-Minister of Public Works (Mr. Rogers), a member of this House. He wrote a letter to the country and said "I abandon my portfolio, I resign my position and I want to go out."

Mr. PUGSLEY: He just stood aside for the time being, and was still minister. He kept his portfolio?

Mr. R. B. BENNETT: My hon. friend (Mr. Pugsley) did not do that. Mr. Rogers stood aside and said: I am not guilty of the charges Judge Galt made against me, I demand an inquiry by some tribunal.

Mr. CARROLL: It was not an inquiry.

Mr. R. B. BENNETT: It was an inquiry, because it had to determine whether or not there was any evidence upon which the Galt findings might be predicated, and anything that determines that is an inquiry.

Mr. CARROLL: Not under the Act.

Mr. R. B. BENNETT: The question was, was there any evidence on which the Galt findings could be predicated so far as Mr. Rogers was concerned. The hon. member from Carleton said I had not read the evidence. I read the evidence as it came out from day to day, and followed that evidence. I may not be as well able to arrive at conclusions as the hon. gentleman from Carleton, but when the conclusions of Mr. Justice Galt were arrived at I failed—and I have failed ever since—to put my finger on the evidence upon which those conclusions could have been predicated. That illustrates the difference in view between my hon. friend and myself, and shows the soundness of appointing men absolutely removed from the scene and away from political influence. That is the reason Chief Justice McLeod and Mr. Justice Tellier were appointed. What a lovely mess it would have been if we had appointed members of this House to investigate.

Mr. McKENZIE: You had a majority in this House and could put good men upon that committee.

Mr. R. B. BENNETT: We do not find our ministers innocent by majority.

Mr. McKENZIE: Perhaps you could not get a majority.

Mr. R. B. BENNETT: There was no trouble when my hon. friend was in power in getting a majority. The dark lantern was in evidence in season and out of season. If it were a sawdust wharf, there was no trouble——

Mr. McKENZIE: There was no charge about the sawdust wharf.

Mr. R. B. BENNETT: Or if it were a question of the ballot papers of that gentleman named Lott—not the Lot my hon. friend knows so well in Scriptures, whose wife was turned to salt, but the Lott who was connected with the ballot boxes, and the ballot papers. On that side of the House you always acquit by majority. We find our men innocent by judges. That is the difference.

Mr. McKENZIE: You choose your own magistrate.

Mr. R. B. BENNETT: And we chose a chief magistrate, and one who knows the Scriptures as well as my hon. friend from Cape Breton. My hon. friend speaks of the prophet Ezekiel. (My hon. friend from Carleton refers to prophets, but he spells it with an "f".) I submit that on the state-

ment made by my hon. friend from Cape Breton the case is complete.

Mr. PUGSLEY: Which case is that?

Mr. R. B. BENNETT: The case I am making for Mr. Rogers, and this Government. I will admit there was completeness also in the case established against the hon. gentlemen from St. John. I have no doubt that is what he refers to. Here we have my hon. friend standing in his place, and saying "What we want is an acquittal by a partisan majority."

What we say is that we want the reverse, a judicial tribunal, to determine whether our ministers are falsely or properly charged with these offences. The judicial tribunal has made its report, and it ill becomes any gentleman practising his profession as a lawyer to charge men with whitewashing who have had the administrative and judicial experience of Sir Ezekiel McLeod and Mr. Justice Tellier. I do think this Parliament should rise beyond that. To-morrow some hon. gentleman opposite, having become a minister of the Crown may find himself in a similar position. If the leader of the Opposition were called upon to form a government. I have no doubt that he would exercise the same discretion that he did in years gone by. Knowing how unfit was the material he had behind him, he would go to the provinces and get men to form his government; he could not form a government with men of the type of the Carvells, the McKenzies, the Copps, the Carrolls and the Pugsleys.

Sir WILFRID LAURIER: But I had heard that the Prime Minister wanted to rule with Carvell.

Some hon. MEMBERS: Hear, hear.

Mr. R. B. BENNETT: Judging from the applause with which that remark was greeted what my right hon. friend says may be so.

Sir WILFRID LAURIER: I would not have to go so far, then, as my hon. friend says.

Mr. R. B. BENNETT: My right hon. friend has that great quality, that commanding quality, which has always characterized him—it is almost genius—of inducing those with whom he has been associated to believe that in the event of his coming into power every one of them would be fit to hold a position in the Government. But alas, when the moment comes, the fruit is found to be the apple of Sodom; and when his eager followers come to taste it, they find that it turns to ashes on their lips. My right hon. friend under these circumstances would do what he did of old—go outside for his Blairs, his Mowats and his Fieldings.

Mr. McKENZIE: They filled the positions well.

Mr. R. B. BENNETT: Yes, they filled the positions with great distinction and with high honour to themselves and to the country which they served. I have no doubt that those who sit behind my right hon. friend now are anxiously waiting for the day when, they think an ill-guided people may put them into power, and when each of them will become ministers. I can tell by the look of profound wisdom on the face of the member for Guysborough (Mr. Sinclair) that he would fill the office of Marine and Fisheries with distinction. I can imagine the member for North Cape Breton (Mr. McKenzie) wondering whether he will again adorn the Bench, fill some portfolio or, peradventure, serve the State in a lesser capacity. I can see the member for Carleton (Mr. Carvell) vieing with the member for St. John (Mr. Pugsley) as to which shall be which; as to who shall be the greater in Israel. I can see the member for Pictou (Mr. Macdonald) vieing with the member for Halifax (Mr. A. K. Maclean) and endeavouring to determine which shall represent the great province of Nova Scotia if, peradventure, the member for Guysborough is overlooked. But when the great day comes, they will all find themselves beyond the pale.

Mr. McKENZIE: I hope that the Chairman is making a note of this discussion. The hon. gentleman is going rather far afield.

An hon. MEMBER: I suppose it is all in order.

Mr. R. B. BENNETT: Entirely in order.

Mr. SINCLAIR: Admitting all that the hon. gentleman has said, I would ask him to justify the proposal to ask the people of Canada to pay for the vindicating of the character of Mr. Rogers.

Mr. R. B. BENNETT: I was just illustrating my argument. I was pointing out that some hon. gentlemen opposite were hoping to fill positions of responsibility in the State. I hope that some day they may. It is in the interest of the State that they should, so that they may once more illustrate by their performances in office their unfitness for the positions. I was pointing out that if a minister of the Crown

from Nova Scotia should by a commission of inquiry be found guilty of malfeasance, the Government of the day should have the strength, the power and the courage to say: We will appoint a commission to determine whether or not the findings made were justified by the evidence, in order that the public life of our public men may not become the subject of attack by every man who wishes to throw mud from any quarter. The hon. Mr. Rogers, despite what may be said, had the courage to ask this Parliament to determine, by tribunal, whether—

Some hon. MEMBERS: Oh, oh.

Mr. R. B. BENNETT: —this Parliament, and this Government, in whose hands the honour of Parliament rests for the time being—

Mr. PUGSLEY: Heaven help this Parliament, then.

Mr. R. B. BENNETT: Well, I would rather trust a matter of this kind to a competent tribunal than leave it to the judgment of a partisan majority, as was the case with the hon. member for St. John.

Mr. McKENZIE: The hon. gentleman is prejudiced.

Mr. BENNETT: No, not prejudiced, merely biased. After all, those who occupy high office and discharge public trust must have an opportunity to have themselves vindicated if charges made against them are deemed to be unfounded. I believe that if the member for St. John had his way, he would rather that the charge preferred against him and the finding made should have been reviewed by a competent tribunal under the Inquiries Act than that his name and fame should rest entirely upon a partisan majority's view. Of course, in his case the evidence was so conclusive that no tribunal would ever change the original finding; but he would have liked to have the finding reviewed for the sake of history and his place in it. It is too bad that that matter must rest upon the judgment of a partisan majority rather than upon the judgment of justices who are sworn fairly to administer justice and law. Mr. Roger's case is safe in the finding of Sir Ezekiel McLeod and Mr. Justice Tellier, despite the fact that the member for Carleton says that the conclusions which the Commissioners reached are not such as any honest man could accept.

Mr. McKENZIE: What has the hon. gentleman to say about the fact that hon. Mr. Rogers refused to submit any evidence before Mr. Justice Galt, after he was asked to do so?

Mr. R. B. BENNETT: That is hardly the fact.

Mr. McKENZIE: That is on record.

Mr. R. B. BENNETT: No.

Mr. McKENZIE: Oh, yes.

Mr. MEIGHEN: He was asked to appear in argument only after the evidence was in.

Mr. PUGSLEY: I desire to express my sympathy with the Solicitor General in the fact that his estimates are being obstructed by the member for Calgary. He has spoken about almost everything under the sun except the matter which is immediately before the committee. The member for Calgary says that he has learned many things from me; there is one thing that he did not learn: to curtail his speeches in the House. Another thing he did not learn was to say the right thing in the right place. If my hon. friend ever did an injustice in his life to any friend he did it today to the ex-Minister of Public Works. He has brought into the consideration of this item the question whether the report of Mr. Justice Galt is sustained by the evidence. That was not an issue until the hon. gentleman rose in his place and made the very extraordinary speech which he delivered to the committee. He has put squarely before the committee the question whether the finding of Mr. Justice Galt was or was not justified by the evidence. My hon. friend, a prominent member of the House, a warm supporter of the Government, a gentleman occupying a position which many people thought would be second in importance only to that of the Prime Minister—Chairman of the National Service Board—eulogizes the finding of the McLeod-Tellier Commission and discredits the finding of Commissioner Galt. The member for Carleton, therefore, takes the right course in claiming the right to have a full discussion of the matter dealt with in this item.

Mr. R. B. BENNETT: Is my hon. friend aware of the fact that the hon. member for Carleton (M. Carvell) raised the issue before I came into the Chamber?

Mr. PUGSLEY: Not at all.

Mr. R. B. BENNETT: Well, I heard a part of it.

Mr. PUGSLEY: All that the hon. member for Carleton pointed out was, as I understand his argument, that there was no authority,

under the Inquiries Act, for the issue of this commission, and he did not see why the country should be called upon to pay the expenses of it and particularly the fee of the counsel employed to assist the commissioners in arriving at a conclusion. The view I take of this matter is that we have no judgment of a court. The expression of opinion by Mr. Justice Galt is not a judgment of the court; neither is the expression of opinion by Chief Justice McLeod or ex-judge Tellier a judgment of a court. They are simply expressions of opinion by those gentlemen which will have no weight and which ought to have no weight either with the people of this country or with the members of this Parliament unless the evidence justifies either the one or the other. That is all. The one is the expression of opinion of two very worthy gentlemen, and the other is the expression of opinion of a gentleman who was appointed, on the recommendation of the ex-Minister of Public Works, to the very high office of judge because of his great ability and integrity, and presumably also because of his impartiality. We have one opinion one way and another opinion the other way. The hon. member for Calgary (Mr. R. B. Bennett) appealed to me as to whether or not Chief Justice McLeod could be suspected for a moment of coming to a wrong or improper conclusion or of dishonesty. I would be the last man in the world to suggest such a thing with regard to Chief Justice McLeod. He was long at the Bar of New Brunswick, he is a very eminent judge; he has discharged his judicial duties with great ability, and I have nothing to say against him personally. But the trouble in regard to the investigation that took place before those two gentlemen was that there was no counsel to represent the public—no counsel to represent the other side. I would not trust the Angel Gabriel to come to a proper conclusion in regard to a question unless both sides were fairly represented.

Mr. MEIGHEN: What side did Mr. Teed represent?

Mr. PUGSLEY: Mr. Teed—

Some hon. MEMBERS: Oh, oh.

Mr. PUGSLEY: Mr. Teed is one of the warmest Conservatives in the province of New Brunswick.

Mr. MEIGHEN: What has that to do with the matter?

Mr. PUGSLEY: Mr. Teed was no doubt employed because he was—

[Mr. Pugsley.]

Mr. STEVENS: Because he was an honest man.

Mr. PUGSLEY: He was employed because it was felt he would aid the commissioners.

Mr. CROTHERS: Who employed him?

Mr. PUGSLEY: I have no doubt the Minister of Marine and Fisheries (Mr. Hazen) suggested his appointment.

Mr. MEIGHEN: The hon. member forgets that the hon. member for Carleton (Mr. Carvell) stated that Mr. Teed was employed by Sir Ezekiel McLeod.

Mr. PUGSLEY: I have no doubt he was suggested by the Minister of Marine and Fisheries as a gentleman desirable to appoint for the purpose of aiding the commissioners. But you cannot have an investigation which can be depended upon unless you have both sides of the question fairly represented. Counsel was not present to represent the people and to sustain the view presented by Mr. Justice Galt, to see that all evidence which would have a bearing upon the correctness or otherwise of his opinion was fairly presented before the commission. You must have that in order to have a proper investigation.

Mr. MEIGHEN: We appointed counsel to assist the commission. The commission was representing the people and no one else. Consequently counsel represented the people. If we were to appoint counsel on one side as against the other, then we would have to appoint counsel for Mr. Rogers. Mr. Rogers had his own counsel. Why did not the Government of Manitoba follow the same course?

Mr. PUGSLEY: I am not concerned with the Government of Manitoba. They appointed a commissioner who investigated the matter, and if there was not the fullest opportunity given to Mr. Rogers to be represented by counsel, then the commission was very greatly at fault.

Mr. MEIGHEN: You do not answer the question.

Mr. PUGSLEY: After all, it is simply a question of the evidence. The matter is still for Parliament to deal with if it chooses to do so.

Mr. CROTHERS: I understand my hon. friend from St. John has known Chief Justice McLeod for a great number of years.

Mr. PUGSLEY: Yes.

Mr. CROTHERS: I do not know him, but I ask my hon. friend: Is Chief Justice

McLeod a man who would sign a report without knowing and approving its contents?

Mr. PUGSLEY: I have known very eminent judges—

Mr. CROTHERS: What about this particular judge?

Mr. PUGSLEY: I have known very eminent judges, judges quite as eminent as Chief Justice McLeod who have been greatly misled by counsel.

Mr. MEIGHEN: Would Mr. Teed mislead him?

Mr. PUGSLEY: If you have a counsel, no matter how honest he may be, whose inclination was to present views favourable to those who employed him, it is easy for him to lead a judge into error.

Mr. MEIGHEN: Would Mr Teed mislead Chief Justice McLeod when Chief Justice McLeod employed him? That is a fair question.

Mr. PUGSLEY: My hon. friend is trespassing upon the credulity of this House, if he thinks that we shall believe that Mr. Teed was not appointed because it was known that he was in sympathy with this Government; that he would be in sympat with Mr. Rogers.

Mr. MEIGHEN: The hon. member for Carleton (Mr. Carvell) said that he was appointed by Chief Justice McLeod, and he was right. Why would Chief Justice McLeod appoint him if he thought he was favourable to this Government?

Mr. PUGSLEY: I have no doubt he was recommended by the Minister of Marine and Fisheries. As I have said before, I would not rely upon the judgment of any judge, no matter how impartial, how eminent, unless opposing counsel were present. If there is only one counsel presenting one view, there is great danger of a misjudment. I am sorry that my name has been dragged into this discussion. I am rather a modest man, and I do not like my name unduly brought before the House or before the country.

Mr. CROTHERS: Your leader introduced it.

Mr. PUGSLEY: No, it was the Solicitor General who said that the Government was taking a different course to-day from the course taken in 1909. That was the first time my name was introduced, and it has been bandied about rather freely since then. My hon. friend from Calgary (Mr. R. B. Bennett) says that I stand guilty to-day before the people of this country because I did not adopt the machinery and get thoroughly whitewashed. I could have had that done, I suppose.

Mr. MEIGHEN: What did the House of Commons do?

Mr. PUGSLEY: If I had written my leader saying to him: I want you to appoint two judges and I will suggest——

Mr. CARVELL: And a lawyer.

Mr. PUGSLEY:—I would like you to appoint a lawyer, and I have in mind a lawyer, very eminent, whose eyes are directed towards the position of Chief Justice of my province, who will do me justice in any case, I would like you to appoint him to assist those commissioners in the investigation. In that case, I have no doubt the lime and the liquid would have been splendidly mixed and a good brush put into play, and I should have received a good coat of whitewash.

Mr. R. B. BENNETT: You certainly need one.

Mr. PUGSLEY: But I preferred not to do that. I thought it much better that my trial should take place in the light of day, in the presence of the whole people of this country, that there should not be a commission that would sit secretly on my case. That is what I thought. And when my hon. friend the present Minister of Labour (Mr. Crothers) made a charge against me in the House based on the Landry report, so-called, as those who were present will remember, the Speaker ruled that he had no right to do so and that the matter must come up in a different way. My right hon. leader (Sir Wilfrid Laurier) who was then leader of the Government, stated, and I repeated what he stated, that we would take no technical objection, that we wanted the fullest possible inquiry and the most complete investigation. We wanted Parliament to have the evidence upon which this charge was based. The Speaker said that it was irregular for my hon. friend to bring the matter up in that way, but that if we consented, he would allow the matter to proceed.

Mr. CROTHERS: You did not give Parliament any evidence.

Mr. PUGSLEY: When the present Minister of Labour made certain statements, I

said—and Hansard shows it—that the evidence did not support his statements, and he answered with indignation, "I have nothing to do with the evidence, nothing whatever, I rely upon this judgment of the court." My hon. friend rather questioned that to-day.

Mr. CROTHERS: You had nothing more to do with he evidence than I had.

Mr. PUGSLEY: This is what he said—(Hansard, 1909, P. 5655):

Mr. Pugsley: My. hon. friend must pardon me. I say that there is nothing whatever in the evidence which would justify a statement of that kind, and the statement is absolutely untrue.

Mr. Crothers: I am not here for the purpose of discussing the evidence in this case.

And it was he who was prosecuting; it was he who was making the charge that was to drive me out of the Government and out of public life, if possible. He had nothing to do with the evidence, he said. He relied upon the judgment of the court. It did not concern him whether the evidence supported that judgment or not, or whether it was false or not; he had nothing to do with it. To continue:

Mr. Pugsley: I am not surprised at that.

Mr. Crothers: I am here standing on the judgment of a court.

When I came to make my defence I relied upon such evidence as I had.

Mr. MEIGHEN: You did not read any.

Mr. PUGSLEY: I did. I quoted many parts of it. I said I had only two volumes of it, and that was all I could get. I said there was more than that.

Mr. CROTHERS: You said you would not use the evidence at all.

Mr. PUGSLEY: I said that the Government had been asked to submit the evidence to the provincial legislature so that we could get a copy of it, but that request was refused. But a friend of mine, acting as counsel for the commissioners, had had the evidence taken by a stenographer, and he sent me a typewritten copy of part of it. That I used, and with that evidence I was able to show that in upwards of twenty instances the report was absolutely contradicted by the evidence, and in a great many other cases not supported by the evidence. I am not going to refer to it particularly to-day, because I do not want to follow my hon. friend from Calgary and take up a great deal of the time of the House, but I remember that I called attention to one statement in the report, that the evidence had been conclusive that a certain act of wrong-doing had been committed. I made the statement that it was absolutely untrue, that it showed the partisan character of these commissioners, and that so far from it being the case, the evidence was absolutely the other way. Now my hon. friend says that they wanted to try me by the evidence. Let us see for a moment. To begin with, we have the statement which my right hon. friend the leader of the Opposition read on the 6th of August. Then we have the statement of the present distinguished Minister of Trade and Commerce (Sir George Foster) in a letter to Hon. Mr. Hazen, then Premier of New Brunswick, in which, referring to the matter, he said:

He will say that the report is not based on evidence and that he will, after getting a copy of the evidence, issue a statement showing this to be so. That will be his defence. We propose to get after him here before he gets a copy of the evidence.

Who was the hon. gentleman selected to get after me before I got a copy of the report? It was my hon. friend the present Minister of Labour who lent himself to that design of the Minister of Trade and Commerce. They were going to try to drive me from the Government, and if possible, from public life, before I could get a copy of the evidence.

Mr. CROTHERS: You had a copy and you did not read it.

Mr. PUGSLEY: But my hon. friend thought I had not. He was doing what the Minister of Trade and Commerce had written to Mr. Hazen that they would try to do; he lent himself to that design, in which, I am happy to say, he did not succeed. We have the further fact that the present Minister of Marine and Fisheries knew that it was the intention to get after me before I got a copy of the evidence. That was why they refused to submit the evidence to the provincial legislature, because if they submitted it they knew I would get a copy, and they thought I had no copy of it. The present Minister of Marine and Fisheries, then Premier of New Brunswick, knew that that was the intention, because he had the letter from the present Minister of Trade and Commerce before he sent the report up to Ottawa to be used by my hon. friend in the improper way in which he sought to use it, and did use it. What evidence had Mr. Hazen at that time, when he knew he was sending a damnable and false report to Ottawa for the purpose of accomplishing the

design he had in view? He had in his possession a letter from Mr. Powell, a very distinguished Conservative employed by the Provincial Government—paid by the Provincial Government—to assist the commissioners, just as Mr. Teed is to be paid by the Government of Canada to assist these commissioners; he was equally eminent, equally honourable, equally high in the public esteem, equally prominent in the Conservative party—in fact, I would think that Mr. Powell was even more prominent in the Conservative party than Mr. Teed, because he had been a member of his Parliament, and to-day he occupies a high-salaried position under this Government as a member of the Great Waterways Commission. He also says that he was doing a great deal of the work which, I presume, Mr. Teed was employed to do in connection with this commission; that is to say, he assisted in drawing up many parts of the report. Mr. Powell, in his letter to Mr. Hazen of March 31, 1909, said, among other things:

> Another matter which I am sorry has gone in as it did inasmuch as it will give the Opposition press an opportunity to make an attack on the commissioners, is the statement at the bottom of page 18 and top of page 19 to the effect that it appears conclusively from the evidence that the whole $250,000 par value of the 3 per cent bonds had been guaranteed and delivered to the company up to August 6, 1903.

When I was making my speech I referred to the evidence and said it was absolutely false—not only unsupported by the evidence but absolutely contradicted by it. I did not know then that when Mr. Hazen sent that report here he knew it was false, and that he had a statement from Mr. Powell to the effect that it was false. I simply had to present the matter to the House from my own standpoint, and as I knew the evidence would show it to be. Mr. Powell goes on:

> The only evidence to that effect was an impression Mr. Shadbolt had that the whole $250,000 of 3 per cent bonds which were delivered to him at that time had the provincial guarantee on them. Mr. Shadbolt may have been right in his impression, but the statement is not consistent with the Order in Council with reference to guaranteeing the bonds.

A little further on he says:

> I drafted the portion of the report referring to the guaranteeing of the bonds, but Judge Landry himself changed it in the respects I have mentioned. Fortunately the fellows on the other side will know nothing about the matter, and if the statement is challenged the reporter has Mr. Shadbolt's evidence much stronger than he gave it.

Mr. McKENZIE: What does that mean?

Mr. PUGSLEY: It means that the Government reporter had changed the evidence from what was given, and he would find in the typewritten copy a report of evidence which had never been sworn to by the witness. It also means that when Mr. Hazen sent that statement forward to Sir George Foster, Mr. Hazen knew the report was false. It means he knew that the stenographer had the evidence in his transcribed copy much stronger than it had been given and he sends this false report forward to Sir George Foster, and Sir George Foster hands it to the present Minister of Labour in order to present those falsehoods before the members of this House and before the people of this country and to ask that I should be condemned. You have in that evidence of conspiracy in which four prominent members of the Conservative party were engaged. Perhaps I should not in this House call it a conspiracy—I will call it an enterprise.

Mr. McKENZIE: The Minister of Labour would not be engaged in any enterprise.

Mr. PUGSLEY: Engaged in that enterprise was the present Senator, Hon. Mr. Fowler, who wrote Mr. Hazen recommending certain gentlemen as commissioners and who said that this was a very important thing for them and he believed that the "Genial William"—meaning myself—

Mr. McKENZIE: That was the only truth in it.

Mr. PUGSLEY:—Could be driven out of business if the thing was handled properly, and he suggests how it might be handled. Then we have Mr. Powell, appointed to the same position as Mr. Teed was appointed to in connection with this commission, not only taking part in the presentation of the evidence, but taking part in the making up of the opinion. We find him writing to Mr. Hazen, and calling his attention to an important matter in which the report is false, and saying that fortunately if it comes up the fellows on the other side would not know anything about it, and if it is questioned the reporter has it down already much stronger than the witness gave it. We find Sir George Foster handing this report to my hon. friend the present Minister of Labour to act upon. Notwithstanding all this, these gentlemen try to make the committee believe that they acted in a very different way, and in a very much better way in regard to Mr. Rogers than the way followed in 1909 by the supporters of the former government. I should be very sorry indeed

if in respect of the Hon. Mr. Rogers any members of the Liberal party were guilty of half the crimes that were engaged in to drive me from public life. I cannot for a moment conceive they would stoop so low as to try to drive a man from public life from a report which they knew to be false and try to accomplish their object before he could get an opportunity to read the evidence or present it to Parliament. I am content to-day with the fact that I was able to present the evidence to this House and have the matter discussed in the open light of day, and have the judgment of this Parliament, rather than simply have the opinion of gentlemen who had gone over the evidence in secret, who had been assisted by counsel employed by the Government and who had formed an opinion without any opportunity being offered to those who might desire to submit a different view.

However, the question is as to whether or not these fees should be paid. I do not think the Government had any right whatever to appoint this commission. I say nothing at all with regard to the innocence or guilt of the late Minister of Public Works. I should be very sorry indeed to condemn him unheard, and if the matter comes up in this House on the Galt report we ought to examine the evidence with the utmost care. We should not be guided by that report any more than we would be guided by the expression of any men of high standing. I say the same thing with regard to the McLeod-Tellier report. It is simply the opinion of two reputable gentlemen who have been chosen by this Government, and whose report has the advantage of having been prepared in secret and under the circumstances I have mentioned. I would not have risen to speak upon this matter at all had it not been for the reference made to the course which was followed with regard to myself in 1909.

Mr. MEIGHEN: Before the committee rises it seems to me that on the stand taken by the hon. member for Carleton and the hon. member for St. John there should be no objection to the item going through. As I understand it, they want a chance to discuss the McLeod-Tellier report.

Mr. CARVELL: I never asked for a chance to discuss the McLeod-Tellier report, and I have been persistently opposed to discussing the Galt report. I felt it was a matter that should not have been brought up here at all. I object, however, to the item being voted to-night in view of the attitude assumed by the Minister of Labour and to a great extent by the Solicitor General, that there was no evidence on which the Galt report could be sustained. Before the item is voted, I think there should be an opportunity of discussing the evidence.

Mr. MEIGHEN: I think the hon. gentleman misrepresents me. I have not asked for this vote on the ground that there is no evidence to justify the Galt report. I distinctly took the other ground; I should ask for the vote just the same if the finding were the other way. I never assented to anything on my own responsibility. I simply say what the tribunal found. The hon. member for Carleton stated very clearly and rightly that the report of Mr. Justice Galt being out, it was impossible to proceed, and we know that the proper course was to have an investigation, and the minister step out in the meantime. That being so, that is all the reason there is for this item. If, by reason of anything that arose in this debate, hon. gentlemen opposite desire to discuss the McLeod-Tellier report, I will undertake that their right to do so will not be prejudiced by this item going through. But we are sincerely anxious to get on as rapidly as we can. I do not want to put my own inconvenience as too important before the committee, but I do not want to come back and have an afternoon or night spent on this item for the purpose of a discussion at which I do not need to be present. Is there any objection to the motion being withdrawn and the item passing, it being understood that if hon. gentlemen wish to discuss the McLeod-Tellier report, they will be given, I am pretty sure, by the Prime Minister, the right to do so. At all events, their right to do so will not be prejudiced by the item going through.

Sir WILFRID LAURIER: We can take a vote upon it.

Mr. MEIGHEN: I understand that there was an arrangement between the whips that there would be no division this afternoon.

Sir WILFRID LAURIER: It could be declared carried on division.

Resolution agreed to on division.

On motion of Sir Thomas White, the House adjourned at 6.05 p.m.

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SEVENTH SESSION—TWELFTH PARLIAMENT, 1917

Abbreviations.—1r., 2r., 3r.=first, second, or third reading. Amdt.=Amendment. Com.=Committee. Con.=Consideration. Div.=Division. M.=Motion. Ref.=Reference. Rep.=Report. Res.=Resolution. Sec.=Section.

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